[seal]

OSLO DISTRICT COURT

Verdict

Handed down: 01.10.2018

Case no.: 17-046724MED-OTIR/03

The Presiding: District Court Judge Per Fleisje

Associate Judges:

Anniken Celine Mentzoni
Svein Erik Sagbråten

The Public Prosecutor: First District Attorney Marianne Steensen Bender

against

Ola Rollén Attorney Christian Fredrik Bonnevie Hjort

Attorney Knut Bergo

No restrictions on public access

VERDICT

Ola Rollén, born 04.28.1965 and residing in London.

Through an indictment of 03.15.2017, brought by the Public Prosecutors at the National Authority for Investigation and Prosecution of Economic and Environmental Crime, he stood trial at the Oslo District Court for violation of

Section 17 - 3, first paragraph, of the Securities Trading Act cf., Section 3 - 3
for having violated the provision that purchases of financial instruments or encouragement for such dispositions may not be made directly or indirectly on one's own or a third-party's behalf by anyone possessing privileged information.

Basis:
During the period from the end of August 2015 until Thursday October 8, 2015, negotiations were ongoing involving the Oslo Stock Exchange-listed company NEXT Biometrics Group ASA (Next), Ecomnex Holding AS (Ecomnex), Ngoc Minh Dinh and the Cypriot company Iskossala Ltd. (Iskossala) which he controlled. The negotiations led to the following agreements concluded on Thursday, October 8, 2015:

1. Agreement on a private placement to the company Iskossala of 2,000,000 new shares in Next at NOK 60 per share.

2. Agreement on the sale of 333,333 shares in Next from Ecomnex (wholly-owned by Ngoc Minh Dinh) to Iskossala at NOK 60 per share.

3. Supplementary agreement which terminated the royalty agreement concluded between Next and Ngoc Minh Dinh.

Through participation in and knowledge of the negotiations described above, he was aware that Next was willing to issue a significant number of shares in a private placement to Iskossala at NOK 60 per share, and/or that Ecomnex negotiated to sell shares at NOK 60 per share, and/or that Next was in negotiations with Ngoc Minh Dinh regarding the termination of a royalty agreement

and/or

in September 2015, through the negotiations described above, the CEO of Next, Tore Idsøe, provided him with information related to the expected price increase in the Next stock through the announcement of a "Tier 1" customer.

Regardless of the above, he purchased 284,341 shares in Next on Tuesday, October 6, 2015 and Wednesday, October 7, 2015 through Iskossala, which used a nominee account in Skandinaviska Enskilda Banken S.A. (Luxembourg).

In stock exchange notices from Next on Friday, 9 October at 8:15 am and 8:44 am, the agreements were made known to the market. Following the stock exchange notices, the

stock price of the shares in Next increased from a closing price on Thursday, October 8, 2015 at NOK 48.50 to NOK 89.00, which was the closing price on Friday, October 9, 2015, corresponding to a price increase of 83.5%.

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The trial was held over 19 court days during the period October 30 to November 30, 2017. The defendant appeared and plead not guilty after the indictment.

The court received statements from 22 witnesses, as documented in the court record.

The prosecutor asked that the defendant be convicted in accordance with the indictment to imprisonment of one year and six months minus the 11 days spent in custody. Furthermore, the prosecutor asked that the defendant be ordered to forfeit NOK 25,559,412 and be ordered to pay legal costs at the discretion of the court.

The defense asked that the defendant be acquitted, alternatively, that he be shown leniency.

1. Background of the case

The case has its origin in Oslo Stock Exchange discovering that there had been unusually high sales of shares in NEXT Biometrics Group ASA (hereinafter referred to as 'Next') in the last few days before the company announced a private placement to the company Greenbridge Partners Ltd ("Greenbridge"). When Next announced the stock issue on October 9, 2015, the price of Next shares rose from NOK 48 to NOK 89 over the course of the day and stabilized at an even higher level in the following days.

The Oslo Stock Exchange considered the purchases that occurred just before the price increase to be conspicuous and sent the matter to the Norwegian Financial Supervisory Authority on November 23, 2015. The Financial Supervisory Authority obtained a statement on the matter from Next. Due to the risk of the destruction of evidence, the Financial Supervisory Authority did not obtain further documents or statements from the parties involved. The Financial Supervisory Authority considered it clear that the case had to be investigated and assessed for prosecution, and therefore reported Ola Rollén to the National Authority for Investigation and Prosecution of Economic and Environmental Crime on May 25, 2016. The Rollén was arrested by the police in November 2016 and held in custody for a week while he made his statements about the matter.

The Financial Supervisory Authority stated in its report that inside information had arisen at Next sometime between August 27 and October 8, 2015, and notes that the company beginning to keep a list of who received information starting September 30, 2015 may pinpoint when inside information existed.

During the trial, the Financial Supervisory Authority clarified that, in 2015, they understood it as Rollén having used knowledge he had received as a representative of Greenbridge when he traded shares on the stock exchange for his private company Iskossala. This party relationship, compared with the fact that Iskossala received a gain of approximately NOK 10 million based on market prices, led the Financial Supervisory Authority to consider the matter as serious.

The fact that Rollén represented two different parties was, as the Court comes back to, a misunderstanding. This misunderstanding that Rollén represented two different parties is also the reason why the Financial Supervisory Authority did not consider whether what was inside information for the circle around Next was also inside information for Greenbridge. One's own price sensitive investment plans are not inside information for the investor himself, although these plans are inside information for all others. This is stated in the Financial Supervisory Authority's own guidelines to the Securities Trading Act.

2. Brief information of the parties involved

The Next company is built around biometric technology, which was invented and patented by the company's founder Ngoc Minh Dinh. The company develops fingerprint sensors for use in computers, mobile phones and debit cards.

Next is listed on Oslo Axess, which is under the Oslo Stock Exchange. In 2015, the share price was steadily in the range of NOK 45 to 48 up to October. The company had a few hundred shareholders, mainly Norwegians, and the sales in the stock were modest.

The defendant Ola Rollén has been the CEO of the Swedish listed company Hexagon AB for 17 years. Hexagon is led from London where Rollén resides. The stock value of Hexagon increased from about SEK 1 billion to about SEK 150 billion, due to, among other things, more than one hundred major transactions in which Rollén was an active participant. In the spring of 2015, Rollén, together with a number of acquaintances from Swedish business, decided to establish the Greenbridge stock fund in Jersey. The fund would make major investments in select companies with the aim of contributing to the companies' industrial development. Greenbridge was still being established when Rollén in September/October 2015 was considering whether the fund should invest in Next.

Rollén has a significant personal investment in the Swedish company Fingerprint Cards AB, where he is the largest shareholder. This company has become a leader in fingerprint sensors for mobile phones, and the share price increased more than tenfold after Rollén entered the

company. The technology that Fingerprint Cards uses is a direct competitor to the technology that Next has developed. Rollén therefore had knowledge of Next's market opportunities.

Rollén has built up considerable wealth. Due to British inheritance tax, the wealth is placed in a family trust in accordance with British rules. The trust owns the company Iskossala Limited ("Iskossala"). The trust is controlled by specially appointed managers in accordance with applicable rules.

There is now agreement between the parties that Rollén acted on behalf of Greenbridge both when he traded shares over the stock exchange and negotiated the participation in a private placement. Iskossala was used as a provisional party in both situations because Greenbridge was still being established.

3. Terms of the law

Section 3-3 of the Securities Trading Act ("STA") prohibits the "misuse" of inside information. Anyone possessing such inside information, as defined in STA Section 3-2, is not allowed to buy shares.

In STA Section 3-2, inside information is defined as follows (with the Court's italics):

(1) Inside information refers to *precise information* about the financial instruments, the issuer of these or other circumstances that are likely to appreciably *affect the price* of the financial instruments or related financial instruments and which *is not publicly available* or generally known in the market.

(2) "*Precise information*" refers to information indicating that one or more circumstances or events have occurred or may reasonably be expected to occur, and which are sufficiently specific to draw a conclusion as to the possible effect of these circumstances or events on the price of the financial instruments or the related financial instruments.

(3) Information that is likely to appreciably affect the price of financial instruments or related financial instruments refers to *information that reasonable investors are likely to use* as part of the basis for their investment decision.

Section 17-3 of the Act states that the penalty for a violation of Section 3-3 is imprisonment for up to six years.

The indictment is based on Rollén having had precise information that was not publicly known and that a reasonable investor would use as part of their decision-making in the purchase of shares. The prosecution argues that this has been proven beyond any reasonable doubt, so that Rollén may be punished for misuse of the information.

The defense argues that

1. Rollén did not have the information that he is accused of having had.

2. The information to which the indictment applies does not constitute inside information because reasonable investors would not have found it significant.

3. Rollén did not use the information when he purchased shares and he has proven that there were other circumstances that motivated him.

4. Regardless, there is no abuse of the information because the market value of the information stemmed from his own (Greenbridge) investment decision.

5. Rollén did not have the necessary subjective guilt when he placed an order for the purchase of stock because he was not aware of the actual information to which the indictment applies. Nor was it negligent that he did not understand that a reasonable investor would find the information significant when several market experts also now believe that such investors would not have found the information significant.

5. The negotiations

During the trial, extensive documentation was presented from the end of August to the beginning of October 2015, which shows that Rollén was concerned with clarifying whether Next's technology could become a market winner. The clarification took place through several meetings with Next management and the exchange of a number of emails with supporting material. Next provided Rollén information about the technology and the impact technology could have in different markets.

Rollén met Idsøe for the first time on August 27, 2015, and then on September 3 and 29. After Rollén gave the broker purchase instructions on October 5, he met with Idsøe on October 6 and 7. All of the meetings took place at Rollén’s office in London. The newly appointed head of Greenbridge, Emanuel Lang, also visited the company in Oslo on September 15, in addition to attending the above-mentioned meetings.

In the court's assessment, there is no doubt that Rollén during this roughly five-week period was mainly concerned with clarifying whether Next was the winning candidate he

was hoping for. Five weeks was a relatively quick clarification process, as this was an activity done in addition to a demanding management job at Hexagon.

Spreadsheets found on Rollén's computer show that he was calculating Next's value if the company's technology took large shares of different market segments. These were not pure fantasies for Rollén. He had hit the bull's eye once before with his purchase of stock in Fingerprint Cards (FPC), which within a short time had increased its value tenfold.

The documentation shows that Rollén was particularly concerned with whether Next's sensor technology could be suitable for integrating fingerprint sensors into smart cards, i.e., debit cards, credit cards and various access cards/key cards. This is a future mass market in which the emerging technologies will create a winning company and in which Fingerprint Cards' technology is not suitable.

Rollén conducted a technical and commercial study of Next and the company's technology - and analyzed various business models. An important part of the assessments was which production costs it was realistic to assume. Rollén received help from a trusted technology employee who had worked for many years at Hexagon.

The parties' exchange of information continued in October. On the October 2, Idsøe sent information to Rollén on a number of technical and commercial questions regarding the use of the sensors in mobile phones.

Later, on the evening of October 2, Rollén gave a kind of status report from the work.

> *Thanks for your input Tore. I share your views in most of these points and I am beginning to become comfortable with the fact that you will have a good market position in smartcards. Where I beg to differ is in the opinion that FPC has peaked in smartphones. (...) This means that FCP, Synaptics and, of course the OEMs, will all generate multibillion SEK/NOK free cash flows in 2016 so several players will have the war chest to go after acquisitions.*
>
> *With all this in mind I think your biggest threat will be an unsolicited takeover bid for Next from an industry player taking you out of play before you blossom – in order to get your technology in the Cards market!*
>
> *I suggest that we try to finalize our discussion early next week and also discuss potential ways to secure Next's independence.*

This email from October 2 shows, in the court's assessment, that Rollén was now ready to enter into concrete negotiations for a major investment in Next. In the court's opinion, the documentation does not indicate that the investment had been discussed in particular between

the parties prior to this. However, a few key premises had been highlighted in parallel with the parties' technology and market discussions.

In the court's assessment, the situation was roughly as follows:

Both parties were concerned that the stock issue was reasonably proportionate to the company's running costs to calm the waters with regard to the company's financing needs for the coming year. From the first meeting in August, Rollén had noted that if GB were to enter into Next, they would have such a large share in the company that it would give them real influence. Similarly, Idsøe had always signaled that he expected a price of NOK 60 per share for a large stake. Idsøe also stated that it was difficult for the company to issue as many shares as Rollén wanted, but that existing major shareholders might be able to transfer some of their shares. Rollén had made it clear that he did not want Idsøe, as CEO, to sell his shares. Idsøe had stated that there was a possibility that the inventor of the company's technology, Dinh, could be among the shareholders who were interested in selling some of their shares.

With the company's existing cost structure, Next would run out of money at year-end. The court assumes that the parties had an implied joint interest in the fact that the question of continued funding was quickly clarified so that Next didn’t need to implement adverse savings measures that could harm the continued development of the company and its products.

In the following, the court will consider whether Rollén possessed inside information on 6 and 7 October.

6. Next’s intention to issue stock

The prosecution claims that Rollén, when trading on the stock exchange, had information that Next was willing to issue a significant number of shares at NOK 60 per share and that this was inside information.

In the court's assessment, that Next was willing to undertake a stock issue cannot be inside information. It must be regarded as publicly known that a stock issue was a necessity. The most common solution would be a rights issue for existing shareholders. However, it cannot be inside information that the company was also considering a private placement to investors that could help the company evolve in a positive direction. Such considerations must also be regarded as obvious.

Nor can it be inside information that the company was prepared to issue a significant number of shares. A company without revenue and with uncertain future prospects, like Next, will

have limited opportunities for loan financing. Next, therefore, was fairly dependent on financing through the stock market. In the court's view, it is then a duty for the board to ensure a possible issue of stock to guarantee operations for one year at a time. The company's financial reporting for the second quarter of 2015 indicated that the company would use up approximately NOK 10 million per month in the coming year. A stock issue in the range of 100 to 120 million had to be something the market would see as natural.

In the court's assessment, it is also obvious that Next had hopes of getting a better price for the new shares if they were sold to one major investor than in a common rights issue. A shareholding that gives significant influence in the company will generally be considered to have an added value in addition to the current share price.

It must be assumed that the higher the share price offered, the less remarkable it would be that Next was willing to issue shares at this level.

The board member at that time, and later chairman of the company, Brita Eilertsen, explained at the trial that she was relieved and very pleased with the proposed price of NOK 60 when the proposal was made known to her on the morning of October 7. The share price was then approximately NOK 48.

The defense called several witnesses who were market experts who expressed that an announcement of a company's *intention* to issue a significant number of shares at a premium of 33% would not be something that a reasonable investor would find significant. The court did not feel that any of the witnesses in the case expressed disagreement on this point.

In the court's assessment, the knowledge that Next's administration was willing to issue a significant number of shares for NOK 60 per share, does not constitute inside information. It is important that the administration of a company can probe its financing opportunities in the market and express fairly obvious views on the intention/need to issue shares without creating a trade ban for the circle in which it is probed.

On the other hand, inside information could be that an investor with good knowledge of the technology and the market would pay NOK 60 per share. However, this intention, in the court's assessment and which it comes back to, could not be inside information for the investor himself.

7. Intention to issue stock not until October 7

Although, as mentioned above, the court concludes the intention to issue stock that Idsøe expressed to Rollén was not inside information, the court finds grounds to note that when Rollén bought shares on October 6 and 7, Next’s board had not yet considered whether the board would be in favor of a private placement of NOK 60 per share.

Idsøe likely told Rollén in the meeting that began at 11:00 am on October 7 that he would recommend to the board to approve an issue based on the key premises that Idsøe and Rollén had discussed. It seems clear that, on October 6, Rollén requested that Next itself issue shares for NOK 120 million, as he noted this amount on a whiteboard in the meeting room (see the picture in Section 10 below). It is uncertain whether Idsøe expressed in this meeting that he would be in favor of such an issue or if he considered it in more detail during the afternoon and evening. However, he made sure that a draft agreement was drawn up based on NOK 120 million for the parties' meeting the next day.

However, the CEO's position cannot be enough to anticipate that a company will thus issue shares. A decision on whether a listed company should make a major private placement is among the most important decisions a board makes.

That the stock issue was a difficult decision for Next was already indicated by the fact that the process showed signs of Idsøe hesitating to offer Greenbridge the large stake which Idsøe realized early on that Greenbridge wanted. At the meeting of September 3, Idsøe announced a stock issue of NOK 80 million. Later, he increased the indication to NOK 100 million and then to NOK 120 million.

When the indictment refers to the intention to issue stock, it must mean an intention to issue stock which also included Rollén and the company associated with him. Such an intention was not obvious. Rollén was known as the largest shareholder in Fingerprint Cards, which was one of Next's main competitors. It would be natural for the board to consider whether it was reasonable in this way to assist the largest shareholder in Fingerprint Cards into Next. In the first draft agreement Idsøe drew up, it stated that Rollén had to divest from Fingerprint Cards if Greenbridge was to become a major owner in Next. Rollén probably negotiated away this clause once in the beginning of October.

The law also requires that the general assembly decide on stock issues. The decision of the general assembly has a special procedure when it comes to making exceptions to the shareholders' statutory preferential rights to new shares, as decided to do in Next. It was important that the board undertake a comprehensive assessment of whether the issue of stock was also reasonable for a single shareholder community. In this context, it is important that the board accepted a package solution in which the issue of stock and waiver of the preferential rights was conditional upon Dinh terminating his ongoing royalty claim against a one-time payment and an opportunity to sell a significant number of shares for NOK 60. It is not obvious that the board would accept the stock issue if it did not also lead to the company discontinuing the royalty payments. The chairman of the board said in court that he would oppose the stock issue if Dinh did not agree to terminate the royalty payments.

Rollén did not know that the chairman of the board made the stock issue conditional upon the resolution of the royal question at the same time. This illustrates that there may be many different considerations behind a board's position on a stock issue proposal and that the board is a real decision-maker on the way to a resolution of the general assembly

It must be considered proven that the board was not informed about the Greenbridge stock issue or the price of NOK 60, although this was the price Idsøe highlighted through all of his talks with Rollén. The board member Eilertsen explained at the trial that she was very pleased with the price of NOK 60 when it was announced to the board on October 7. Only a few days earlier she had complained in writing that the board was not receiving any information about the administration's work on Next's financing. It was not until October 7 that she was told who the potential investor was. And it wasn't until the 7th that she learned how large a stake Idsøe had indicated to the investor that he could get.

The prosecution states that the price of NOK 60 per share was so good that the board would nevertheless accept it and that Rollén could therefore be certain of the board's decision. That may be right. But that a board is willing to issue at a price everyone understands that they couldn't say no to is not inside information but a general fact.

That Next was willing to issue a significant number of shares at a premium of 33% first became a fact, in the court's assessment, in the board meeting of October 7. Prior to this, the price of NOK 60 was unknown to the board. This meeting took place after the Rollén's broker picked up the last round-lot at 1:35 pm the same day. Rollén first received information that the board was in favor of issuing a significant number of shares after the board meeting ended at 3:00 pm. And then there were still unanswered questions, for example, how large a stake Greenbridge would be allowed to have in Next.

8. Can other circumstance create inside information of the intention to issue stock?

In to the court's assessment, there must be something more, an addition, for the intention to issue a significant number of shares at NOK 60 to constitute inside information for Greenbridge. The question then arises if there are such circumstance - and possibly if they can be emphasized without going outside the scope of the indictment.

The court will first assess whether Greenbridge's intention to invest may be such an addition that leads to Next's intention to issue stock being inside information. It is natural to understand the indictment such that the four details of information in paragraphs 5 and 6 of the indictment are important because Rollén (Greenbridge) considered investing in Next. Without interpreting such a prerequisite, the four details of information become quite abstract. In the court's assessment, it is therefore not beyond the scope of the indictment to consider

whether Greenbridge's intention to invest is such an additional element causing Next's intention to issue stock to have the nature of inside information.

That Greenbridge signaled interest in entering Next could constitute inside information for the circle around Next if this interest became sufficiently concrete. In the court's understanding, Next's lawyers considered that a possible investment from Greenbridge was only sufficiently concrete to constitute inside information on October 7. The company's chairman realized that this occurred already on September 30 when he notified the entire board that they were now insiders. However, neither Greenbridge nor its intention to invest, in itself, was inside information for Greenbridge. It is essentially irrelevant for Green Bridge at which point the circle around Next became insiders on this basis.

That a purchaser of shares does not become an insider and thus gets a ban on trading as soon as he decides to purchase shares is obvious. Also, a purchase is not prohibited if the share purchaser has decided to buy shares for some time and possibly at significantly higher rates than the purchase he will now make. This is stated in legal literature and in the Financial Supervisory Authority's own guidelines. The Securities Trading Act also mentions that two investors who have agreed to invest in the same stock may buy shares separately if they are aware that the other's planned purchase will also push the prices up gradually.

The prosecution wants to set very narrow limits for the right to trade regardless of knowledge of one's own, price-sensitive investment plans. It is argued that such an exception is formulated in the preamble to the EU Market Abuse Directive (MAD) and the New Market Abuse Regulation (MAR), in the Spector ruling and in legal literature, the exception applies only where the investor has *exclusive* knowledge of his own investment plans. In the prosecutor's opinion, therefore, the exception of one's own plans does not protect anyone who also has knowledge of the counterparty's plans or considerations. The court understands the prosecution such that this applies even if the counterparty's plan is not so qualified or precise that it in itself constitutes inside information. However, in the court's assessment, it is natural to understand the use of "exclusive" such that it limits the situations where the investor has other confidential information/inside information, i.e., only where there is other information that is sufficiently qualified and precise. Otherwise, the sources mentioned would probably contain some indications as to how the limit would otherwise be set.

In the court's judgment, no trading ban can be imposed even though the potential investor is so significant that the company gives him specific details about the company's situation and prospects. This is how many companies treat important shareholders and potential investors, without them thereby getting a trading ban. This must also apply if the administration expresses such general thoughts about its possible stock issue plans as discussed in paragraph 6 above. Nor can the court see that a follow-up dialogue with the company over a few weeks

in connection with such statements about possible stock issue plans may prevent an investor from trading. And it can hardly be possible to distinguish between the situation when the company looks for one or more investors and the situation when the investor establishes the contact itself.

The considerations underlying the fact that one's own investment plans are not inside information for one's self, implies that one's own investment plans remain a legitimate trading basis until the investor receives other information which in itself is inside information. Otherwise, the investor's situation would be hardly predictable. The information is qualitatively the same, whether given as customary details or as details in a meeting where a possible direct investment in the company is the subject.

The limit, in the court's assessment, must depend on whether the information received after one's own content becomes inside information. Even though an investor can trade shares despite knowledge of one's own price-sensitive investment intention, other inside information naturally creates the same prohibition for the investor as such information creates for all others. The point in this context is that the freedom to trade on one's own price-sensitive plans also exists if such an investor receives such non-confidential information on the intention to issue stock as mentioned in paragraph 6 above.

In this context, it is important that the parties agree that Rollén did not get confidential information about the technology, market review or commercial secrets - except for the dispute regarding the Tier 1 information which the court returns to below.

The indictment refers to two specific additional details that relates to the stock issue negotiations: that Econmex negotiated selling shares for NOK 60 and Dinh negotiated the termination of his claim for ongoing royalty payments. The court must consider whether Rollén possessed this information. Secondly, the court must consider whether these circumstances in themselves constituted inside information for Rollén and, if necessary, whether these circumstances are relevant for the assessment of whether the above-mentioned stock issue constitutes inside information for Rollén. Regarding the last question, it is the court's assessment that if these circumstances do not in themselves constitute inside information, this information may not cause the intention to issue stock to be reclassified as inside information. It is apparent from what has been stated above that the crucial thing is whether this information is of such quality and is so precise that it constitutes inside information in itself.

9. That Ecomnex negotiated on sales of shares

Rollén wanted a bigger stake than Idsøe was willing to offer him in an issue. It was probably clear at the parties' first meeting on August 27, 2015, and at the parties' meeting on September 3, therefore Idsøe outlined a NOK 80 million stock issue, supplemented by possible share purchases from Dinh for 20 million and purchases from other shareholders for NOK 20 million.

Dinh, the inventor of the company's technology and founder of Next, was highlighted as a possible seller because he was still the company's largest shareholder through his wholly owned company Ecomnex.

One main question is whether Rollén was aware that Dinh (Ecomnex) was negotiating selling shares. In the outline from September 3, Idsøe put a question mark behind the founder as a possible seller.

In the court's assessment, the evidence given during the trial gave a fairly clear picture of the fact that Idsøe from September 3 had a separate agenda that led him to be uninterested in immediately, or during September, giving Dinh a sales offer.

Prior to his meeting with Rollén on September 3, Idsøe asked Dinh whether he would be interested in selling shares but did not receive an answer.

Following the meeting with Rollén on September 3, Idsøe, in the court's assessment, changed his strategy. Idsøe's plan was to give Dinh an ultimatum that if he wanted to sell a large number of shares at NOK 60, he would also have to terminate the royalty agreement. Idsøe knew that the Norwegian wealth tax led Dinh to having strained finances and that the possibility of selling shares at a premium of 33% could be significant to him. A link between sales of shares and a change of the royalty agreement would also make it more justifiable for the company to help one shareholder to get a completely different price for his shares than other shareholders did.

With regard to Dinh, Idsøe therefore used September to clarify Dinh's tax position and prepare for the negotiations he initiated with Dinh in October. These negotiations are discussed in more detail below in Section 10 on royalties. Since Idsøe did not want to let Dinh sell shares without doing anything about the royalties, it is reasonably certain that he did not start negotiating with Dinh on selling shares before he had prepared his arguments about taxes on royalties with his lawyers. These arguments were not put in place until the beginning of October.

Dinh explained during the trial that at the beginning of September, he learned that an opportunity could emerge for existing shareholders to sell shares. He did not get any details,

and he expressed in court that this information did not really create any expectations for him. Dinh said that the opportunity for stock sales had emerged in a conversation he had with Idsøe and Next's lawyers about his tax situation on October 2. The documentation shows that Idsøe continued working on the tax issue up to October 7. Dinh seems to remember that he didn't receive an offer to sell shares until only a few minutes before he accepted the offer on October 7.

In the court's assessment, Rollén was so concerned throughout September with assessing Next's technology and market potential that he did not press Idsøe for any clarification regarding the size of the stock issue Next wanted to offer. Nor is there any indication that he asked that it be clarified whether Dinh or other shareholders would possibly sell, as Idsøe outlined as a possibility on September 3.

There is also no evidence that Idsøe involved Rollén in his strategy to link royalties and selling shares, although the idea seems to have emerged just after the meeting between them on September 3. Viewed from Idsøe's side, as discussed in detail below, it was rational to keep the linking strategy to himself in case it didn't succeed with Dinh.

Nor is there any indication that Rollén was informed of the status of Idsøe's negotiations with Dinh regarding selling shares prior to October 7. The natural explanation for this is that such negotiations had hardly started before October 7, sometime after 10.33 am.

As late as 10.33 am, Dinh sent an inquiry to a lawyer who had been recommended to him, asking for assistance in the upcoming negotiations on selling shares and royalty payments. A few minutes earlier, he had informed the board member Høibakk that he was considering several alternative changes to the royalty agreement, without the sale of shares to an external investor having been mentioned as a possibility.

Rollén was first informed that Dinh would sell shares sometime in the afternoon of October 7. He was never even had contact with Dinh. Rollén was also told that Dinh had previously changed his mind so that there was still uncertainty about whether he would sign an agreement the next day on October 8.

The court finds that Dinh was initially invited to sell a significant number of shares at NOK 60, approximately at the same time that Rollen's broker picked up the last of the shareholdings Rollén is charged with buying. To the extent that it can be said there were negotiations on the sale, they started then. It seems almost certain that Rollén was first notified that there were negotiations with Dinh on sales of shares later in the afternoon of October 7.

That Rollén had been told that it was possible that Dinh would sell shares if he was offered a substantial premium of NOK 60 cannot be inside information. Nor is he accused of this.

10. That Dinh negotiated the termination of royalties

Next had initiated a process of changing Dinh's royal payments as early as January 2015, and Dinh stated in court that he had a continuous dialogue with Ralph Høibakk in 2015 about this. Høibakk sat on the board and was appointed to handle the negotiations on royalty.

Immediately after his second meeting with Rollén on September 3, Idsøe contacted Next's lawyer for a closer study of Dinh's tax situation for profits on shares, earned income and royalties.

Idsøe initiative with Next's tax attorney indicates that Idsøe was inspired to speed up the process Høibakk had ongoing with Dinh after his second meeting with Rollén. Idsøe seems to remember that in the first meeting, Rollén stated that he thought the royalty agreement was expensive, but without Idsøe perceiving that this was important to Rollén. Rollén does not remember thinking anything about the royalty agreement. In the court's view, Rollén is someone who has a hard time seeing a number without thinking about what it implies. There is therefore reason to believe that, during a review of the company's key figures for the second quarter, Rollén raised questions about the royalty rate or noted that it was high. It is also likely that the Swede, Rollén, when he learned that the inventor had moved to Sweden, may have made a remark that most of the royalty payments would then go to taxes and that this appeared to be hardly rational on the part of the company. Whether such remarks were made in the first or second meeting of the parties is irrelevant. But after the second meeting, Idsøe seems to be aware that there were some negotiation arguments with regard to Dinh.

That Idsøe had learned to value Rollén's judgment is evident from the fact that when Rollén expressed a few days later that Next had reason to fear a hostile takeover, Idsøe immediately launched internal efforts to clarify how this danger could be reduced.

In the court's judgment, it is likely that Idsøe, based on one or more comments from Rollén, saw that Dinh's tax situation could give him arguments for a change in royalties. Idsøe eventually made a plan which he got the chairman Fondal to agree to, to give Dinh an ultimatum, whereby the implementation of the stock issue and Dinh's ability to sell shares at a good price were made conditional on Dinh agreeing to do something about the royalty payments. Idsøe knew that Dinh's finances were strained because of the Norwegian wealth tax. At the same time, such a link was perhaps necessary for a large sale at a premium from a single shareholder to be well-grounded in the interests of the company.

There is nothing in the documentation or witness statements that indicate that Idsøe had previously informed Rollén about his linking strategy and ultimatum to Dinh. For Rollén, royalties may have been something he could think of being negotiated with Dinh at a later date to optimize the company. But if Rollén first decided that Next was the winning candidate he was looking for, he would hardly have been positive about Dinh, by turning down the board's ultimatum regarding royalty termination, being able to effectively stop the stock issue. Such a link would already be worrisome seen from Rollén's point of view of because he had learned that Dinh usually wanted satisfactory information and proper time before making his decisions.

If Idsøe did not get Dinh to agree to the royalty link, Idsøe could, however, talk with the chairman Fondal to accept the stock issue against Greenbridge and submit the private stock issue to the board for consideration. By ldsøe on October 7, regarding Greenbridge, proposing to the board that it agree to an issue level that was high enough to match Rollen's original minimum requirement for ownership, made it possible to find a commercial agreement even if the additional shares from Dinh disappeared out of the picture. Optionally, Idsøe could choose to give in to Dinh if he opposed the link, and also focus on getting the board to go along with allowing the sale of shares even if a resolution of the royalty issue had to be postponed.However, since Rollén wanted the most possible shares, it was rational not to involve Rollén in the company's considerations on whether to use Dinh's 333,333 shares in such a way in the negotiations with Dinh that it created a risk that the shares would not be available to Greenbridge.

There is no basis in the documentation that Rollén was informed of Idsøe working on the royalty issue prior to October. On October 1, Idsøe informed Rollén in an email that he had called Dinh in for a meeting the following day, among other things:

> *We have for your information also summoned the inventor to a meeting in Oslo tomorrow. This with the intent to negotiate a reduction in the royalty.*

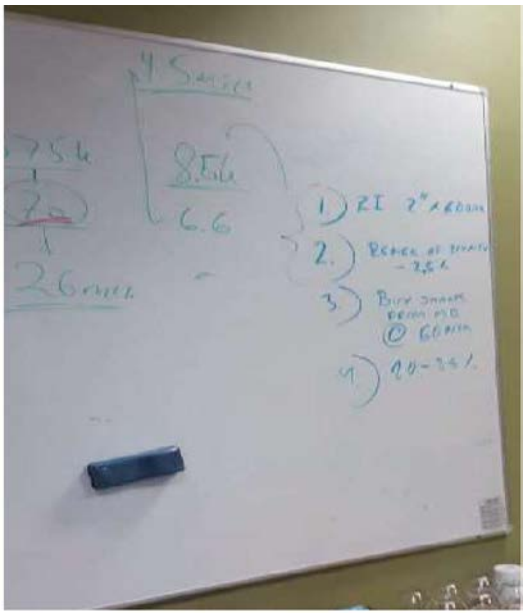
This relatively circumspect detail about the meeting plan can be interpreted as if this meeting was not something Idsøe expected Rollén to immediately understood the purpose of. This suggests that Rollén had also not received any verbal information that Idsøe had prepared for negotiations on the royalties throughout September.

Rollén responded to some of what Idsøe brought up in the above-mentioned e-mail but did not comment on the announcement of royalty negotiations. There is therefore little evidence that Rollén was concerned about the royalty reduction or what the company would offer Dinh in return. The email from Idsøe also gave no indication that Idsøe would attempt to terminate the royalty payments.

Dinh informed the court that the meeting he had with Idsøe and Next's tax lawyers on October 2 was largely a briefing about tax rules for gains on share sales and royalties. He had

not been presented with any proposal for the termination of royalties.

The royalty rate Dinh was entitled to was 5% of a defined gross margin.



The above picture of a whiteboard that was taken at the end of the meeting between Rollén and Idsøe on October 6 shows that Rollén noted "Royalty -2.5%". The parties do not remember anything about what was said about the royalty in the meeting. However, it is natural to understand the whiteboard as that something was said about the future royalty rate being reduced or that it should be reduced.

None of the parties remember that something was said about what Dinh would receive in return in order to accept a restructuring of the royalty payment. This seems reasonable as Idsøe had not yet addressed the issue with Dinh and probably had another plan. In any case, it was a full termination of royalties that he presented to Dinh the following day, October 7.

In the court's assessment, the documentation does not indicate that there were any negotiations between Idsøe and Dinh regarding the termination of royalties before approximately 12:00 pm on 7 October.

On the morning of October 7, Dinh sent an email to Høibakk, saying that he was now considering various solutions regarding the royalty agreement. It appears that Dinh was considering converting parts of his remuneration claim into shares in the company and transferring the royalty agreement to his company, Ecomnex. This appears as a contribution

to the discussion Dinh and Høibakk were conducting through 2015 and has to do with a solution that was completely different from what Idsøe had in mind and suggested to Dinh a couple of hours later.

As late as 10:33 am on October 7, Dinh also sent a request to a lawyer with the aim of getting a legal advisor for an upcoming renegotiation of the license agreement (royalties) he had with Next. Dinh was envisioning a process that would take some time and would, among other things, apply to "a better arrangement for the payment of royalties."

In the court's assessment, the above documentation shows that it was not until 10:33 am on October 7 that Idsøe proposed *terminating* the royalties and initiated negotiations with Dinh about this.

In the court's judgment, it is likely that Idsøe sometime midday on 7 October proposed to Dinh that he could sell 333,333 shares at a price of NOK 60 per share and receive a one-off payment of NOK 9.5 million against terminating his claim on current royalties in the future.

Dinh stated during the trial that he believes he was given about 10 minutes to evaluate the offer from Idsøe. And he believes that he clarified his position on the question just before the board meeting. The documentation, especially the above-mentioned e-mail to a lawyer that morning, supports his statement.

That Dinh made his position on the question known shortly before the board meeting also appears to be likely, because Idsøe at 1:00 pm, just ahead of the board meeting that was scheduled for 1:30 pm, convened a preliminary meeting without Dinh, at 1:15 pm. It is natural to interpret this urgent appeal that he wanted to clarify the board's position on what he had proposed to Dinh and probably received a positive response. Dinh sat on the board and attended the board meeting at 1:30 pm.

It cannot be ruled out that the clarification with Dinh took place after the board meeting, based on the position agreed to by the board in the preliminary meeting - but this uncertainty about the timeline is hardly relevant to the case. As the court understands it, Idsøe seems to remember that the clarification from Dinh came only after the board meeting. There were, regardless, some tax issues that were first clarified with Dinh after the board meeting, and nothing was put in place until the day after the agreements were signed.

It can therefore be concluded with certainty that Dinh received a proposal about terminating the royalty payments on October 7, and then linking this to a twofold remuneration: on the one hand, an offer for a large sale of shares at a price of NOK 60 which was about 33% above the share price, and a cash payment of approximately NOK 9.5 million, if no other form of payment was appropriate due to tax. There is nothing to suggest that Idsøe told Rollén about his plans as late as the day before, although Idsøe had been preparing his initiative with Dinh for a long time. That a royalty reduction in some context was noted on the whiteboard during

the meeting on October 6, in the court's assessment, was consistent with the fact that Idsøe intentionally failed to inform Rollén of his plan for an ultimatum for Dinh regarding the termination of royalties. Then there is no reason to conclude that, at the meeting of October 6, Rollén learned of negotiations on the termination of royalties or something that can reasonably be compared to termination. It is then more likely that Idsøe may have parked the topic by saying that he intended to continue the company's talks with Dinh about changes in the royalty agreement. That Rollén in September may himself have been the inspiration for Idsøe's termination plan is irrelevant. Idsøe kept this possible inspiration to himself.

The court's conclusion is that Rollén first became aware of negotiations for the *termination* of royalties after the negotiations had commenced on the day of October 7 and after Idsøe raised the question in the board meeting. This board meeting was concluded at 2:51 pm, and Greenbridge acquired its last shareholding at 1:35 pm.

The fact that Rollén in October learned that the company had talks with Dinh about a possible restructuring of the royalty payments is not information that is so precise that a reasonable investor would find it significant and Rollén is not accused of misusing such information.

11. Price expectations when the Tier 1 customer's name became known

The fourth element of information mentioned in the indictment is that Idsøe supposedly told Rollén that he anticipated that the share price would rise sharply when the name of the company's first major customer was disclosed in October.

The prosecution argues that at the meeting of September 3, Idsøe gave Rollén information that he expected the price to rise to NOK 100 when Next disclosed the name of its first major customer later in October. The parties agree that Rollén did *not* know who the customer was, but the prosecution believes it is decisive that Rollén was able to rely on Idsøe's conclusions about the price effect - that it appeared to be typical tip from an "insider" who knew what would happen to the price.

As the court understands, the prosecution bases this part of the indictment on a conclusion of four main elements:

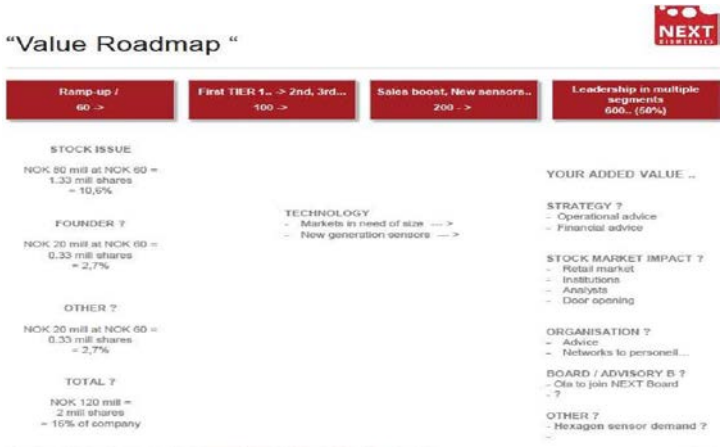
- a slide from Idsøe's presentation to Rollén
- various statements about expectations for the disclosure
- that Lang noted that (Idsøe believed) that the stock issue should be done before the Tier 1 launch, and

- Idsøe's statement to the police on the above slide.

In the following, the court will comment on each of these points.

(a) The presentation

The prosecution's main argument is a slide from the presentation Idsøe held for Rollén on September 3. The image contained, as shown in the illustration below, a red box containing the words "First Tier 1 .. -> 2nd, 3rd ..." and a stated value of NOK 100 ->. The prosecution argues that Idsøe, in connection with this image, said that the price would rise to NOK 100 when Next announced in October who this customer was.



The image shows a "value road map", with various events that, in a few years, would be suitable for increasing the share price tenfold through a purchase of NOK 60 per share. A tenfold increase of the share value was the kind of opportunity Rollén was looking for, but the likelihood that it would happen was minimal. The entire presentation image represents an extremely "best case" scenario. In the court's judgment, the first two boxes in the timeline themselves do not appear to be particularly precise or to ensure predictions about price developments.

The first red box indicates a hope that the share price would establish itself at a significantly higher level, NOK 60, when an ongoing development process for the company was completed ("ramp-up").

The second red box is natural to understand as that one could hope that the share price would rise another 60% if the technology was utilized by some major customers. That the price would rise when the company got its first big customers is natural because the company would then earn revenue, and especially because it would confirm and exemplify the usability of the technology. The image must be understood as that the share price would increase with several contracts.

It’s a strained interpretation when the prosecution concludes that the entire value-added potential in the box (NOK 100) is intended to apply to the first of the three contracts indicated.

The interpretation becomes even more unreasonable when the effect of the first contract is not linked to the price development from the conclusion of the contract, but in its entirety to the remaining disclosure of who the first customer is. The contract had already been signed a year earlier. Next had announced to the market that the contract was originally for about one million sensors and that this volume had gradually increased by 20%. This volume showed that it was one of the major players, and it was generally assumed that the customer was one of the six major PC/tablet manufacturers. This was an impressive achievement by Next, but there is reason to believe that what was known about the contract was more important than what remained unknown - the name of the customer and the specific product. Nevertheless, the price of the Next share at the beginning of September was still around NOK 45, and not on the way up to NOK 100.

Next announced to the market a couple of days before the first meeting with Rollén that they would disclose the name of the Tier 1 customer in October. The market, including Rollén, would understand this as that the technology was now being utilized in the major customer’s production and that this product would soon become available for sale so that Next would be able to disclose that it was their technology the manufacturer had been using.

Much of the price increase potential in the first contract must therefore be objectively considered to have already been included (discounted) in Next's share price at the end of September 2015. However, it could not be ruled out of course that some investors would respond positively when they learned the name of the customer or got to see in practice how user-friendly the technology was.

To the extent that Rollén noticed the red box on one of the many presentation images, the box, in the court's assessment, cannot be perceived as a tip that something sensational would occur with the share price in a few days.

Idsøe denies that he told Rollén at the meeting that he anticipated that the share price would increase to NOK 100 upon disclosure of the customer’s name. This seems reasonable. If Idsøe had thought that the name launch in October would raise the price to NOK 100, he would have instead negotiated the issue at the end of the month and gotten a better price for the shares.

Nor did any of the others present at the meetings suggest that Idsøe said that the share price would go up to NOK 100 or similar. It should be noted, however, that everyone who attended the meetings now had a certain connection to Rollén and that this could contribute to forgetfulness and unconsciously-biased statements.

Emanuel Lang remembered very little from the meetings but stated at the trial that he thought he would have remembered if Next's CEO had marketed the stock to them by saying that the price would rise to NOK 100 in just a few days because the company would be announcing the customer's name. He would have perceived it as so irresponsible that this would have stuck out, even if the meetings had otherwise been forgotten. The court believes he is correct in this regard.

(b) Expectations

The prosecution emphasizes that Idsøe and one of the company's advisors, Odd Harald Hauge, in emails to each other in early October, expressed the hope that the launch of the Tier 1 name would have an effect on the price. This was probably what many of the other shareholders in Next also hoped. There was a lot of speculation on the internet about who the customer was. It was therefore likely that some could be a bit disappointed and some pleasantly surprised. However, the difference between the relevant names was hardly so great that there was reason to expect a significant impact on the price when it became clear which of them it was.

That many in the circle around Next were curious about the effect of disclosure of who the company's first major customer was does not provide any basis for Rollén having received any tips on price developments from Idsøe.

Nor does the fact that Lang was curious about whether the launch would have an effect indicate that Greenbridge had received inside information. But the exitement in the market would necessarily have also had a certain spillover effect on those who were considering entering the company. Lang was among those who were a bit disappointed. On October 22, he said in an email to Rollén that of the most relevant names, Dell and Microsoft, he hoped the customer was Microsoft. It turned out that the customer was Dell.

(c) Urgent stock issue

The prosecution argues that Greenbridge was in a hurry to carry out the stock issue and that this shows that Rollén assumed that the share price would increase significantly with the announced disclosure of the name of the first major customer. Among other things, it is clear that on October 2, Rollén expressed that he now wished for final negotiations.

The prosecution believes that the urgency is also supported in the document that Lang was preparing to use as a brief presentation of the investment internally at Greenbridge. On October 1, he included the following bullet point in one of the slides:

Time is a factor because the CEO wants to announce our official intention to invest at the General Assembly of shareholders. In addition, it would better if GB invested before Next has its Tier 1 launch of a fingerprint sensor in a global laptop computer provider.

Both of these sentences are probably meant as a summary of something Idsøe had said. Idsøe said during the trial that he was concerned that Greenbridge had decided quickly and may have said something that he hoped was suitable for stimulating a quick decision. In his police statement in 2016, Idsøe wondered about those sentences that Lang had noted when they were presented to him and thought maybe he may have said something about it being wise to invest now so that the General Meeting wouldn't be uncertain about whether it would approve the stock issue if the share price moved with the Tier 1 launch.

In the court's assessment, Lang seems to have felt that Idsøe believed the stock issue was rushed, but that he had noted a longer, and perhaps hardly understandable or meaningless, error in reasoning - without either he or Rollén clarifying and correcting the note. It must at least be clear that the first sentence is meaningless, as there wouldn't be a general assembly until June 2016 if no stock issue agreement was reached. The second sentence may not be the same, but no certain conclusions can be made about what Idsøe meant. However, the court would point out that an email exchange with Hauge in October indicates that Idsøe had been in on the idea of launching the Tier 1 customer and the stock issue the same day, although this must have been unrealistic as the customer probably had full control over its launch date.

However, it must be possible to rule out that the cited sentence is due to Idsøe saying something about the price going up to NOK 100 and that they should therefore rush to buy at NOK 60, cf., the court's comments on the slide with the Tier 1 box and the price target of NOK 100 in Section 11 (a) above.

(d) Idsøe's police statement

During the interrogation in November 2016 the police asked Idsøe the following leading questions:

Question: "Was there an expectation that the share price would rise from 60 to 100 with the Tier 1 launch? Is this what the other box in this presentation means?"

Answer: "Yes. What turned out was that the price did not rise when we launched Tier 1, but the price had gone so crazy in advance. The fact that we had a Tier 1 had already been published in January 2015. So, there was speculation that the name becoming known could have a positive value." (As the court has no access to the police statements, the quote is based on how it was rendered in the prosecutor's procedure disposition).

The police presumably asked the question because they assumed that the expectation they believed to be able to read from e-mails in October (see subsection b above) could be quantified and exemplified by Idsøe in the September presentation (cf., sub-point a above).

However, as the court understands it, the police statement does *not* contain any indication that Idsøe told Rollén that the share price would rise to NOK 100. There is reason to believe that Idsøe would have stated it more precisely if he had been asked about what he had said about price development than about the meaning behind a few words in a comprehensive presentation.

The fact that Idsøe initiated his answer to the leading question with "yes" in a slightly longer explanation of a small point in the presentation is, in the court's assessment, has been interpreted incorrectly by the prosecution. The paper shows that Idsøe in 2016 was thinking aloud about the thoughts he had about the potential increase in value one year earlier and was fumbling a bit about the order of events and realities.

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The court's conclusion is that there is no real evidence that Rollén received a tip from Idsøe that the stock would rise sharply when the name of the Tier 1 customer was disclosed.

This also has the additional meaning that, to the extent Rollén's possible fear of a short-term, or more lasting, price effect through the launch of the Tier 1 name disrupting the handling of the stock issue, this fear was not due to any inside information from Idsøe, as the court sees it.

The court also disagrees with the prosecution that it's only the Tier 1 expectations that can explain that Rollén was in a hurry to get an agreement. His position in the period from October 2 to 6 is typical of a businessman who wants to move ahead when he has realized that the investment object has the expected qualities. The intensive phase that was initiated on the evening of October 6, and which characterized the negotiations on the 7th, seems to have been driven by Idsøe's desire to put pressure on Dinh by using the negotiations with Greenbridge as an argument for terminating the royalty payments. Next's board was aware that, on previous occasions, Dinh had changed his position on matters of commercial importance to Next. When Dinh said yes to the package solution on the 7th, the risk of his changing his mind was less the faster the transactions were completed. As mentioned above, nothing suggests that Idsøe involved Rollén in the pressure the company put on Dinh.

The fact that Rollén as late as October 5 did not have such urgency that he was working to get a stock issue during that week also has some support in his initiative on the family trust.

It has been documented that he launched an extensive authorization process on that date to get the trustee to invest in the purchase of Next shares through Iskossala. However, he did not at the same time initiate any authorization process for a possible stock issue investment. The authorization process involved external trustees who, on a free basis, were to evaluate whether the investment was in the trust's interest. Rollén knew that a possible stock issue participation could also happen on behalf of Iskossala if it were to happen before Greenbridge was in place. Nevertheless, he did not take any initiative for Iskossala to prepare for an investment within given limits. If Rollén was in a hurry due to the Tier 1 launch, the court would have expected that he would have at least aired the possibility of a unified authorization when he spoke with the trustees on October 5.

12. Further on the limits of the indictment

So far, the court has considered the four elements of insider information mentioned in the paragraphs 5 and 6 of the indictment and the significance of Greenbridge's own investment intention and plan.

The prosecution claims that the indictment is not limited to the circumstances mentioned in paragraphs 5 and 6 of the indictment, as any inside information provides a ban on trading. As the court understands it, it is argued that the indictment is limited to the specified share purchases and the time frame that appears in the indictment’s information about when the stock issue negotiations began and the time up to when the share purchases occurred. It is argued that when assessing whether inside information existed, the court must review all available information from and about the negotiations.

It will, as the court sees it, lead the court to be able to convict *if* it found that Rollén received confidential information about Next's technology during the negotiations, e.g., from a small random statement from a witness about such sharing of information that remained undisputed.

However, the parties agree that Rollén did not receive such confidential technical or commercial information, and no information was disclosed during the trial which may reasonably be (mis)understood as meaning that Rollén had receive such information. However, the example illustrates a fundamental problem in the prosecution's interpretation of the indictment.

The prosecution must probably be understood to mean that the relevant information is not any inside information obtained through the negotiations but only the information relating to the negotiation situation around the three contracts mentioned in the indictment - although it is not easy to find evidence for such a distinction in the wording of the indictment.

Regarding that part of the information relating to Rollén's own plans for how he wanted to implement his (Greenbridge's) investment in Next, the court has, as mentioned above, assumed that such information cannot be involved in relation to Rollén, even though the information is at the core of what would constitute inside information for anyone else who had knowledge of the transactions. This must also apply to a broad assessment of whether the status of the negotiations is inside information.

The remaining question will then be if the court is free to convict if it feels that the status of the negotiations constituted inside information for Rollén. Or if it is only knowledge of one or more of the elements from the negotiations that are specifically mentioned in the indictment, which can lead to a conviction.

In the court's assessment, it is natural to understand the *wording* of the indictment such that it is the three specified elements of inside information from the contract negotiations (as well as the information that Idsøe believed that the share price would increase when the company disclosed the name of its first major customer) which constituted the inside information that made the stock trading illegal.

Prior to the trial, the defense stated that it was difficult to prepare the defense when it was not stated clearer in the indictment how Rollén had supposedly received this information.

The defense therefore asked the court to order the prosecution to prepare a written explanatory statement on the indictment pursuant to Section 262, third paragraph of the Criminal Procedure Act and state what actual circumstances constituted inside information.

The court asked for such a statement, and the prosecution issued a statement dated June 15, 2015.

In the statement, the prosecution expresses that (p. 1):

> *The first three paragraphs of the indictment describe the actual circumstances surrounding the period of the stock issue negotiations, which parties were involved and what agreements were concluded.*
>
> *In paragraphs five and six, inside information that the defendant had at the time he bought the shares is described.*
>
> *(...)*
>
> *The inside information the defendant is charged of having misused is described in detail in paragraphs five and six.*

After further discussion of some legal questions, the prosecution refers again to the information contained in paragraphs five and six of the indictment, and appears to discuss the three elements of information in the fifth paragraph all together as the "status of the negotiations" (p.5)

> *In our case, the insider information will be firstly the status of the negotiations at the time when the defendant traded shares (paragraph five of the indictment) and secondly, the information the defendant received from the CEO (paragraph six of the indictment).*

According to the court, it is natural to read this text as a brief recount of, and reference to, the precise indication of the inside information in paragraphs 5 and 6 of the indictment, not as an indication that the prosecution considered the "status of the negotiations" as the relevant inside information. In the same way, the court interprets the wording on page 11 of the statement where, in connection with an interpretation of the requirement for subjective guilt, it states:

> *... in our case, proof of the defendant's knowledge of the status of the negotiations between himself and Next about the purchase of shares through a stock issue etc., had to be demonstrated (paragraph five of the indictment) ...*

There must necessarily be proof of the status of the negotiations for the three contracts to determine whether the information in the fifth paragraph of the indictment existed and whether it had come to Rollén's knowledge. However, in the court's assessment, the content of the statement does not indicate that the prosecution disagreed with the defense's premise for its request for clarification: that it was the four elements of information in paragraphs 5 and 6 of the indictment that were the framework for which elements of information constituted inside information. The defense's concern was that this statement was so vague that it made it the defense's job difficult. However, the prosecution maintained that the statement was accurate.

If the prosecution believes the court is free to convict for any information that emerged from or through the negotiations, the prosecution's statement becomes misleading when it emphasizes that paragraphs 5 and 6 of the indictment provide a "detailed" description of the inside information Rollén "is accused of having misused" (p 1). The sentence gives the impression that the specific inside information *shall* be stated in the indictment and that this is done in paragraphs 5 and 6 of the indictment.

In the statement (p.4), the prosecution also confirms to the defense's question that "the information the defendant had about the specific negotiations he was a part of (paragraph five of the indictment) ... had occurred in the legal sense" and that it would not be litigated that Rollén had information about events that "could reasonably be expected to occur". This assurance also helps to concentrate the focus on the specific information provided and creates the impression that these are relevant in themselves.

As the court reads the statement, the statement supports the interpretation that follows from the wording of the indictment that Rollén may only be convicted if he had the specific information stated in paragraphs 5 and 6 of the indictment. The prosecution can hardly restrict its own or the court's authority through a statement pursuant to Section 262 third paragraph of the Criminal Procedure Act. However, when the statement supports the understanding of the indictment the wording provides, the statement has an impact on how the defense in the case should be planned and how the court should relate to the indictment.

The evidence in our case of the four elements of information specifically stated in the indictment is suitable to illustrate how important it is that an indictment of insider trading provide a precise description of the information that was allegedly misused.

In our case, it can be established with a high degree of certainty that Rollén did not have the relevant information. Such clarity has been made possible because both Rollén and his defense were able to address a specific indication of which information they had to refute that Rollén had. There was a need for detailed evidence and analysis of what actually occurred regarding the information mentioned in the indictment.

Were another piece of information that emerged during the trial to remain undisputed, it does not mean that the information could not be have been refuted had it been previously made clear that it needed to be refuted. And it would be irresponsible of the court to base a conviction on the information if the prosecution were to litigate that precisely this circumstance from the negotiations constituted, or contributed to, inside information.

The negotiations about the circumstances mentioned in the indictment provided the court with a good picture of the total negotiations. However, there are important issues that have not been dealt with to any great degree. This concerns, for example, the very basic question of when it was clarified that Greenbridge was allowed to continue to buy up to a 25% stake. It was discussed on October 6 but was still unresolved well into the day on the 7th. And when did Next give up the requirement that Rollén personally had to divest from Fingerprint Cards for Greenbridge to be accepted as a controlling owner in Next? Such a requirement may be assumed to have been unacceptable to Rollén.

In view of this, it is the court's conclusion that it only has authority to convict if it finds that Rollén misused the information specifically stated in the indictment. In the court's judgment, it would be fundamentally wrong to convict based on a more general assessment of the situation in the negotiations. It would not provide the necessary opportunity for an effective defense in the case.

The court will therefore not go into detail on whether the status of the negotiations could conceivably constitute inside information for Rollén. However, the court feels a need to express that, in its opinion in the above paragraph, it does not feel that this leads to a different outcome in the criminal case than if it had made a freer assessment of whether the negotiation

status gave Rollén inside information. The present evidence, as the court has understood it, does not provide any basis for a conclusion that Rollén had such information about the negotiations that it constituted inside information for him.

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The court does not need to go into whether Rollén should be considered as having purchased shares on October 6 and 7 or if it is only the date of the entry of the purchase order of October 5 that is relevant. In the court's judgment, any possible inside information for Rollén occurred only after the last trade had been completed on October 7, 2015.

13. Conclusion

The court's conclusion is that it is highly probable that Rollén did not have any inside information when he traded shares in Next on behalf of Greenbridge. Ola Rollén must therefore be found not guilty.

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The court finds reason for an additional note regarding the price increase of 83% on Next on October 9. Generally, it is the information that constitutes inside information that also creates the price development that leads to a case of misuse of inside information being raised. Although there is no condition for a conviction that the relevant inside information has an impact on the price, such a significant price impact is an educational indicator that the significance of the relevant inside information was also visible to the inside investor. In our case, the price development also led to the prosecutor demanding a seizure of both the invested amount and the capital gain that was created on October 9, totaling more than NOK 25 million. The size of the gain was emphasized in the Financial Supervisory Authority's report and is believed to have contributed to the National Authority for Investigation and Prosecution of Economic and Environmental Crime issuing an indictment.

In the present case, in the court’s assessment, it must be considered that there were circumstances other than those mentioned in the indictment which created the 83% increase in the price. The founder divesting from his company will normally be perceived negatively in the stock market. That the divestment is done as partial remuneration for the termination of current royalty payments, neutralizes this negative effect - because the market will have reason to believe that the divestment is thus done to safeguard the company's long-term interests. As regards the importance of the Tier 1 launch, the court finds, as previously mentioned, that it is likely that much of the price effect of the first major customer contract was already discounted in the market. A private placement is also a risk project for the share

price, as it can be perceived as negative that the existing shareholders' stake is being watered down. In the court's assessment, it is therefore doubtful whether there was reason to expect that the circumstances mentioned in the indictment would give rise to some price increases

However, in the court's assessment, it can be safely established that what really created a price increase on October 9 was precisely Greenbridge's investment. In the stock exchange notice on October 9, it was emphasized that it was Ola Rollén and Melker Shörling who were behind Greenbridge. Schørling is the founder of Securitas and the lock technology company Assa Abloy and is one of Sweden's most admired businessmen. The Swedish Rollén was the largest shareholder in Fingerprint Cards, which was one of Europe's most traded shares. At the same time, he was the director of one of Europe's leading digitalization companies. Rollén was therefore undoubtedly a person whom there was reason to follow in biometrics.

When Next on October 9 flagged that Greenbridge was entering Next, the number of shareholders in Next multiplied the same day, and almost all of the new shareholders were Swedish. There is no doubt that the Swedes became aware of Next and immediately decided to invest in the company, due to Rollén and Schörling's indirect involvement in the company. That the many new Swedish shareholders put particular emphasis on the circumstances mentioned in paragraphs 5 and 6 of the appeals can be ruled out.

The price development on October 9, and the following days, is due to the fact that a large number of Swedes wanted to invest in small, liquid Norwegian shares to be positioned if it turned out that Rollén had picked a new winning stock.

Even though Rollén understood that a Greenbridge investment in Next would provide such a bellwether effect, this did not constitute inside information for Greenbridge. Even well-admired investors must be able to trade despite knowledge of their own investment plans.

The strong price development that normally signals the seriousness of an inside information case, therefore, became a strongly misleading factor in our case which influenced the prosecution's handling of the case.

The verdict is unanimous.

SENTENCE OF THE COURT

Ola Rollén, born 04.28.1965, is found not guilty.

******Court attendance notice**
The sentenced party is summoned to appear in Oslo.

Place: Oslo District Court
Day: Monday
Date: 01.29.2018
Time: 9:30 am

The Court is hereby adjourned

[SIGNATURE]
Per Fleisje

[SIGNATURE]
Anniken Celine Mentzoni

[SIGNATURE]
Svein Erik Sagbråten

GUIDE FOR THOSE SENTENCED IN THE DISTRICT COURT

You may appeal the verdict of the district court
You are entitled to appeal a verdict of the district court. In such case, you must appeal within two weeks from the date on which the verdict is handed down or announced (made known) to you. You must state within the same deadline whether you require new handling of other claims imposed on you such as compensation. The court of appeal handles appeals of decisions in the district court.

What can you appeal?
You can appeal

6. The evidence review under the question of guilt, if you believe the penalty requirements have not been met
7. The application of law under the question of guilt, if you believe the law has been interpreted incorrectly
8. The penalty determination
9. Compensation, seizure, loss of the right to drive or the like
10. Error in case processing

When can the court of appeal refuse to handle the appeal?
The court of appeal may refuse to handle the appeal if it is clear to the court that the verdict will not be changed. If the case concerns a crime that may lead to imprisonment for more than six years, the court of appeal will usually handle the appeal. The court of appeal may nevertheless refuse to handle the appeal if it concerns a matter of minor importance or if there is otherwise no reason for the appeal.

In some cases, the appeal will only be handled if special reasons justify it. This applies if the prosecution has not requested, or you have not been imposed, a sanction other than a fine, seizure or loss of the right to drive a motor vehicle.

You will be appointed a defender
If the appeal is brought before the court, you will be appointed a defender paid by the public. If you want a particular defender, you should report this at the same time as the appeal or as soon as possible later.

What must the appeal statement contain?
In the appeal statement you must indicate:

- the judgment you're appealing and whether the appeal applies to the entire verdict or only certain accusations
- if the appeal concerns the application of rules of procedure, the assessment of evidence with regard to the question of guilt, the application of the law with regard to the question of guilt or the penalty determination
- What mistakes you think have occurred - when the appeal concerns the application of rules of procedure
- if the appeal concerns seizure
- if you require a new handling of compensation claims or other claims mentioned in Section 3 of the Criminal Procedure Act

Furthermore, you must mention:
- new evidence that you will be submitting
- the change you want made
- the error the appeal concerns, in an appeal of the application of law

If you require new handling of claims in Section 3 of the Criminal Procedure Act, you must state:

1. If the appeal concerns the entire decision
2. The outcome you're claiming
3. The errors you believe have occurred
4. The actual and legal justification that there are errors
5. The evidence that will be provided

How do you appeal?
You can file an appeal in writing or verbally with the district court that has rendered the verdict or with the prosecution authority (for example, the public prosecutor or the police). If you are in custody, you can also file an appeal with the prison staff.

The defender or another lawyer can advise on whether or not you should appeal and possibly assist you in writing the appeal. You can also get help in writing the appeal at the district court, at the prosecutor's office or from the prison staff. In all cases you must sign the appeal yourself.

If you weren't present during the trial?
If you have been sentenced without having been present during the trial, you may request that the case be handled again. In order to receive new handling due to absence, you must provide reasonable proof of a valid absence and that you cannot be blamed for not reporting it on time. You must file the claim with the district court or prosecution authority within two weeks of the verdict being announced.

Time of serving your sentence
If you are sentenced to imprisonment and have special requests about the time of serving your sentence, you must contact the Correctional Service. You will be ordered by the Correctional Service to appear at the stipulated time and place for serving the prison sentence.

Home confinement
If you have been received a sentence of less than four months of unconditional imprisonment, you may apply to the Correctional Service to serve it in your own home with electronic monitoring (ankle bracelet) (Section 16.2 of the Execution of Sentences Act). The Correctional Service assesses whether you meet the requirements for this form of serving your sentence.

Confinement in an institution
If you have received a sentence of under one year of unconditional imprisonment, you may apply to the Correctional Service to have it spent in an institution for treatment of dependence or mental illness, special forms of care or rehabilitation (Section 12 of the Execution of Sentences Act). The Correctional Service assesses whether you meet the requirements for this form of serving your sentence.

Conditional prison sentence
If you are sentenced to conditional imprisonment, it means that the sentence is postponed for a probationary period. The basic condition of conditional sentence is that you do not commit any new criminal offense during the probationary period. There may be other terms stipulated in the sentence. If you commit a criminal offense during the probationary period, the court may give a collective sentence for both offenses or separate sentences for the new offense. If you violate the stipulated terms, the court may decide that the prison sentence is to be wholly or partially served.

Community service
If you have been sentenced to community service, it means that you are required to perform service to the community, participate in programs or other measures prepared by the Correctional Service for as many hours as the court has decided. The community service may also contain a ban on contact with certain persons. The Correctional Service determines when and how the penalty will be implemented. If you commit a new criminal offense before the community service has been completed or if you do not perform the community service, the court may decide that you must be serve out the sentence in prison instead.

Youth punishment

If you are sentenced to youth punishment, the case is sent to the Conflict Council. The Conflict Council will hold a meeting in which a youth plan will be prepared. If you do not agree to a youth plan, the case will be returned to the court to determine whether all or part of the conditional sentence is to be served. If you commit a new criminal offense before the punishment is completed or if you violate the terms stipulated in the youth plan, the court may decide that you must serve time in prison instead.

Fines
If a fine is not paid by the stipulated time, it will be collected by the National Collection Agency through garnishment of wages or other enforced collection. If this is not successful, you must serve time in prison.

Further information on different types of serving sentences and their terms can be found on www.kriminalomsorgen.no.