

Lysaker 01.03.2023

Dear Wavetrain Investor,

Wavetrain Systems AS (Wavetrain) will according to plan be operational in UK with product Wavetrain Level Crossing Protection (WLXP) in Q1 and we expect sale of our product WLXP in Q2.

To secure growth Wavetrain invites you to participate in a private placement of a new class of preference shares at NOK 9,50 per share (market cap NOK 412 million based on assumptions related to pref. share distribution), with under certain conditions conversion rights to ordinary shares in Nordic Technology Group AS. The aim is to secure up to NOK 40 million in the private placement (including NTG conversion of NOK 20 million in debt), but with a possibility to accept both lower and higher amounts in cash capital increase. Please see the attached "Application Form" for further details.

Wavetrain is pleased to announce a national UK Product Type approval was issued April 2022 for the Wavetrain Level Crossing Protection (WLXP). Field trialling of the train detection product at Colliery on the East Midland Route since November 2020 was part of this. Field trials has been ongoing at various locations in UK since March 2017.

The WLXP is the only solution worldwide without massive cable installations and the only one available with the CENELEC SIL2 certification. The WLXP benefits and competitive advantages increases the potential for rolling out level crossing protection for railway infrastructure owners.

Network Rail (NR) is the rail infrastructure owner in the UK. Two systems were sold to NR August 2022, value NOK 1,3 million. One of these has been used for field testing in the UK since November of 2020.

NR integration of the Type Approved WLXP into their own infrastructure for operational use is being finalised by NR. This should facilitate roll-out to the various Routes. During this process Wavetrain has fulfilled the NR requirement of updating the CENELEC certificate including the integration. Assessor approval with the new certificate was issued early February 2023. This is the ninth CENELEC certificate issued since 2015. The CENELEC SIL2 certification is a prerequisite for the UK Type Approval and the following roll-out.

NR has confirmed the installation of an integrated system for operational use early 2023. The installation will become a show-case to all relevant Routes and increase internal knowledge and confidence in the system, an important milestone for securing future sales.

There are fourteen Routes making up the NR infrastructure. A Route has sole responsibility for a large section of the UK railway. Each Route has a top-level executive. All Route executives meet once a month for updates and information sharing. Wavetrain presented the WLXP at the monthly meeting in mid-February 2023. A rare and privileged opportunity for Wavetrain to reach out to NR stakeholders. Building relationships to Route stakeholders is a vital step towards sales.

NR publicly requested a CENELEC SIL2 level crossing product through a tender in 2020. The tender was cancelled due to a formal error in the NR procurement process. However, the Wavetrain product complies with all NR requirements for such a product. To our knowledge no other companies are able to meet the requirements. NR has shown constant support for the Wavetrain effort to offer a system to their ongoing demand for securing thousands of unprotected level crossings with the

Wavetrain product. Wavetrain estimates revenue for the UK market to be in the range of NOK 1 billion to 3 billion through a roll-out over 5-7 years.

A UK Type Approval cements the product for the UK market. Early adoption in the UK secures cross acceptance to other markets. The international addressable level crossing market is estimated to NOK 500 billion. The Wavetrain product has a gross margin of about 70%. Wavetrain has secured patents world-wide, and the brand is trademarked and well known.

Wavetrain's budget for 2023 predicts sales of 50 WLXP to UK, a revenue of NOK 27 million, EBITDA of NOK -19,6 million (assuming NOK 5 million in capital expenditures). The accumulated need for capital in 2023 is estimated to be NOK 30 million, to secure the planned growth ambition. The funding plan is to secure about NOK 20 million in new liquidity in the capital increase and secure about NOK 10 million in working capital and project financing from Eksfin.

Wavetrain and its product are certified to CENELEC SIL2, IEC 61508, ISO 9001, ISO 14001, ISO 27001, and ISO 45001 to facilitate market acceptance.

The following press release was issued 16<sup>th</sup> of February on Euronext Growth Oslo:

“NTG and BoD Wavetrain Systems AS are pleased to announce that we have signed and appointed Pål Bratlie as new CEO in Wavetrain Systems AS (Wavetrain). Pål will start in his new position as CEO 1 March (this year). Pål has vast experience as an executive leader with an impressive track record in international business. He has been Executive Vice President for various divisions in Kongsberg Defence & Aerospace since 2009. We have recruited Pål to secure international growth, profitability and value increase of Wavetrain. Håkon Heier has initiated the process of recruiting a new CEO after 8 year in the CEO position. As the head of Wavetrain, Håkon has secured the break through of Type Approval from Network Rail and the two first orders of our Wavetrain Level Crossing Protection system in UK. A new chapter with international growth has started and it is a good time to bring in new leadership to secure growth.”

On behalf of Wavetrain Systems AS

Pål Bratlie  
CEO

Håkon Heier  
Advisor

Enclosed: Business plan and Application Form

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