



To the shareholders of Cxense ASA

Att: The Board of Directors

Karenslyst Allé 4

0278 Oslo

Norway

Oslo, 16 August 2019

Independent statement regarding the voluntary cash offer to acquire all of the outstanding shares in Cxense ASA

Background

The board of directors of Cxense ASA (“**Cxense or Company**”) announced on 5 August 2019 their unanimous recommendation of a cash offer from Piano Software Inc. (“**Piano**”) to acquire all of the shares of the Company.

Cxense is a software company that helps publishers and marketers worldwide to transform their raw data into a valuable information resource. The Company’s primary business model is based on a “software as a service” (SaaS) business model. Cxense core product is its Data Management Platform (DMP), which builds user profiles from data gathered from websites, apps, CRM systems, etc. These are used to personalize content, subscription offers, promotions etc. Cxense also markets a product called CCE (Cxense Conversion Engine), which is aimed at increasing sales of digital subscriptions (e.g. newspapers, music, etc.). For publishing businesses, the relevance and importance of tools like DMP and CCE have increased markedly, as digital advertising revenues have increasingly been diverted to players like Google and Facebook.

The underlying trend in the Company’s share price has been negative since the third quarter of 2016. The share price was close to NOK 150¹ in early August 2016, whereas the closing share price was NOK 6.36 on 2 August, the last trading date before announcement of the Offer. Cxense’s latest rights issue was announced on 17 January 2019, as the Company resolved it needed more capital than previously communicated to the market. The total amount raised was MNOK 90, at NOK 7 per share. This aggressive pricing caused an immediate downward adjustment to the share price of

¹ Adjusted for effect of subsequent rights issues

around 60% on the date of announcement. Following completion of the rights issue the share price has gradually trended downwards to prices lower than the rights issue.

Voluntary cash offer

On 5 August 2019 the board of directors of Cxense announced that they had entered into an agreement with Piano, whereby Piano would offer to acquire all of the shares of Cxense through a voluntary cash offer (“the Offer”) at NOK 16 per share.

The Board of Directors unanimously recommended the shareholders of Cxense to accept the Offer in a separate statement attached to the announcement.

Shareholders representing 53.6% of the total share capital of Cxense, including the Company’s 5 largest shareholders, have irrevocably undertaken to accept the Offer for their shares in the Company. The members of the board of directors and the key members of management of Cxense have also irrevocably undertaken to accept the Offer in respect of the shares they hold.

The Oslo Stock Exchange in its capacity as supervisory authority decided that pursuant to the requirements of § 6-16 (4) of the Norwegian Securities Trading Act, an assessment of the Offer should be made by an independent third party and not by the Board of Directors of the Company.

On 13 August 2019 pursuant to the requirements of chapter 6 of the Norwegian Securities Trading Act, the Offeror published the voluntary offer document (“Offer Document”) to shareholders of Cxense.

Independent statement

Following approval by the Oslo Stock Exchange as an independent third party, KWC AS (“KWC”) was engaged by the Company to provide a statement in accordance with § 6-16 (4) of the Norwegian Securities Trading Act. KWC will receive a fixed fee for its services on delivery of this statement. No employee of KWC owns shares or has any personal or financial interest in Cxense or Piano or the consequences of the Offer, other than the performance of this engagement.

Scope of our work

KWC has used a number of valuation methods and supporting analyses in performing this engagement. We have used information we have requested from the Company as well as capital market databases and public information available at the date of the announcement of the Offer on 5 August 2019 as well as the contents of the Offer

Document. We have received all information that we have requested from the Company and its advisers.

We have not conducted any independent verification of the information in the Offer Document. For the purposes of this statement, we have assumed that all information in the Offer Document is correct, complete in all material respects, and not misleading. We have also relied on, and assumed, without independent verification, the accuracy and completeness of the information made available to us from the Company in this connection.

We have not evaluated any tax or legal issues related to the Company. Our statement is based on financial, economic, market and other relevant information available at the date of the announcement of the Offer on 5 August 2019, but including the contents of the Offer Document, published on 13 August 2019.

Methodology

In making our assessment of the Offer we have reviewed the Offer Document and considered the Offer from a number of perspectives. We have sought to obtain support for our work using information from a variety of sources. We have conducted certain valuation analyses using widely accepted valuation principles and methodologies. The scope of our work can be summarized as follows.

- Considered the historical background to, and the specific process from initiation in May 2019 up to the date of the Offer Document including the evaluations and advice provided to the board of directors by its financial advisors
- Considered the trading history and share price development of the Company's shares on the Oslo Stock Exchange
- Reviewed research analyst forecasts, valuations, recommendations and target prices for Cxense over a longer period of time
- Analyzed historical acquisition premiums for companies listed on the Oslo Stock Exchange
- Analyzed pricing and valuation multiples for comparable listed companies, so called peer group analysis
- Performed our own discounted cash flow ("DCF") analyses based on Company forecast and business plan information as well as on market consensus data
- Considered such other factors and performed such other analyses as considered appropriate in the circumstances

We have considered the results of all of the above in arriving at our conclusion. The evaluations supporting our conclusion contains subjective elements, including our own best effort estimates derived from the information obtained and our extensive experience in valuation matters.

Impact of the Offer on the Company

The board of directors has evaluated alternative strategies for the Company and sought to maximize shareholder value and enhance the competitive position and sustainability of the Company in entering into the agreement with Piano.

Piano has stated that the acquisition of Cxense is an element in enhancing its global business development expansion. The Offeror is attracted to the Company's product portfolio, management team and strong position in the market for intelligent personalization – in particular based on its "SaaS" business model – giving Cxense customers specific insight into their own individual customers and enable them to personalize communication across marketing and sales channels in real-time.

Through the Offer, the Offeror, having a strong market position in similar services in the North American market and in certain European countries, aims to expand its business geographically in the areas where the Company has a strong and complementary presence. The Offeror also aims to benefit from cross-selling synergies.

The Offeror has stated in the Offer Document that the Offer is not expected to have legal or work-related consequences for the employees in the Company.

Further, it is stated in the Offer Document that the Offeror has no plans at this time to restructure Cxense, other than it may consider applying for a de-listing of the shares on the Oslo Stock Exchange if the Offer is successful.

KWC has not received any information to indicate that the Offeror's statements are in any way incomplete or incorrect. However, we are not able to make any further assessment of the consequences of accepting the Offer.

The Offer has been made known to the employees of the Company. The employees have not made any separate statement regarding the Offer. The board of directors has unanimously and unequivocally recommended the Offer to shareholders.

Assessment and evaluation of the Offer

We have not identified any information to suggest that the Offer process is anything other than an arm's length market transaction.

Piano' offer price represents approximately a 152% acquisition price premium compared to the Cxense closing share price of NOK 6.36 on 2 August 2019, the last trading date before announcement of the Offer. Furthermore, the Offer Price represents a premium of approximately 205% and 186% compared to the 30-day and 90-day volume weighted average share price of Cxense on the Oslo Stock Exchange for the period ending on 2 August 2019.

This is the highest acquisition premium observed in the Norwegian or Swedish markets in recent years. The median for the Norwegian and Swedish market combined in the period between 2010 – 2018 was 29.4%, whilst the maximum individual premium paid was 117.7%.

The offer price therefore reflects an exceptionally high premium compared to the Company's share price. However, taking into account the share trading history and the consequences of the rights issue in January 2019, the underlying premium may be considered to be somewhat lower.

Our own DCF analyses support a stand-alone financial value up to NOK 11-12 per share for all of the outstanding shares of Cxense. Using NOK 11.5 per share as a base value, this reflects an offer premium of around 40%.

Our review and analysis of share trading and analyst reports as well as peer group pricing analysis are consistent with our conclusions.

There are strong indications from these analyses that the offer price provides Cxense shareholders with some of the value of synergies that are expected to accrue to the combined Piano – Cxense business.

Conclusion and recommendations to the shareholders of Cxense

Based on the matters set out above, we have concluded that the terms of the Offer are fair from a financial point of view and that the offer price of NOK 16 per share represents a full and fair arm's length price for all of the outstanding shares of Cxense.

However, this statement is not intended to be and shall not constitute or be construed as a recommendation to the shareholders of Cxense, as to whether to accept the Offer from Piano or not, and each shareholder remains solely responsible for their own decisions.

We recommend that shareholders carefully study the Offer Document and draw their own conclusions. Furthermore, we recommend that shareholders seek advice from professional advisers with respect to tax and other consequences of accepting or not accepting the Offer.

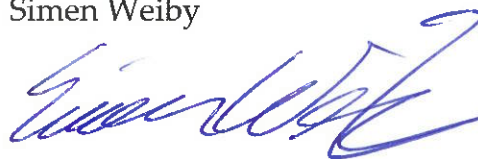
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