

*No securities tendered to this bid will be taken up until (a) more than 50% of the outstanding securities of the class sought (excluding those securities beneficially owned, or over which control or direction is exercised by the offeror or any person acting jointly or in concert with the offeror) have been tendered to the bid, (b) the minimum deposit period required under applicable securities laws has elapsed, and (c) any and all other conditions of the bid have been complied with or waived, as applicable. If these criteria are met, the offeror will take up securities deposited under the bid in accordance with applicable securities laws and extend its bid for an additional minimum period of 10 days to allow for further deposits of securities.*

*This document is important and requires your immediate attention. If you are in doubt as to how to deal with it, you should consult your investment advisor, stockbroker, bank manager, trust company manager, accountant, lawyer or other professional advisor.*

*The Offer (as defined herein) has not been approved or disapproved by any securities regulatory authority, nor has any securities regulatory authority passed upon the fairness or merits of the Offer or upon the adequacy of the information contained in this document. Any representation to the contrary is an offence.*

*This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, nor will deposits be accepted from or on behalf of, Shareholders (as defined in this offer to purchase (the "Offer to Purchase") and take-over bid circular (the "Circular")) in any jurisdiction in which the making or acceptance of the Offer would not be in compliance with the Laws (as defined in this Offer to Purchase and Circular) of such jurisdiction. However, the Offeror (as defined herein) may, in its sole discretion, take such action as it may deem necessary to extend the Offer to Shareholders in any such jurisdiction.*

January 17, 2017



## **OFFER TO PURCHASE**

all of the outstanding Common Shares  
of

### **APIVIO SYSTEMS INC.**

by 1101324 B.C. Ltd., a wholly-owned subsidiary of  
**NURI TELECOM COMPANY LIMITED**  
at a price of **CDN\$0.40 in cash per Common Share**

#### **The Offer**

1101324 B.C. Ltd. (the "Offeror"), a wholly-owned subsidiary of Nuri Telecom Company Limited ("Nuri"), hereby offers (the "Offer") to purchase, on the terms and subject to the conditions of the Offer, all of the issued and outstanding common shares (the "Common Shares") of Apivio Systems Inc. ("Apivio"), which includes any Common Shares that may become issued and outstanding after the date of the Offer but prior to the Expiry Time (as defined in the Offer to Purchase and Circular) upon the exercise, exchange or conversion of any Convertible Securities (as defined in the Offer to Purchase and Circular) at a price of CDN\$0.40 in cash per Common Share.

#### **The Premium Cash Consideration**

The cash consideration under the Offer represents a 51% premium based on the closing price of the Common Shares on the TSXV (as defined herein) on January 16, 2017 (the last trading day prior to the public announcement by Nuri of its proposal to the Shareholders to acquire Apivio). The Offer also represents a premium of 49% to the volume weighted average trading price of the Common Shares on the TSXV over the 30 trading days ended on January 16, 2017.

**The Offer is open for acceptance until 11:59 p.m. (Toronto Time) on May 2, 2017,  
unless the Offer is extended, accelerated or withdrawn by the Offeror in accordance with its terms.**

**The Information Agent and Depositary for the Offer is:**



**Laurel Hill Advisory Group**  
**North American Toll Free: 1-877-452-7184**  
**Outside North America: +1-416-304-0211**  
**Email: [assistance@laurelhill.com](mailto:assistance@laurelhill.com)**

The Common Shares of Apivio are listed on the TSX Venture Exchange (the “**TSXV**”) under the symbol “APV”.

### **Conditions of the Offer**

The Offer is conditional upon the specified conditions being satisfied, or where permitted, waived by 11:59 p.m. (Toronto Time) on May 2, 2017 or such earlier or later time during which Common Shares may be deposited under the Offer, excluding the mandatory ten-day extension period or any extension thereafter, which include: (i) there having been validly deposited under the Offer and not withdrawn that number of Common Shares, representing more than 66 $\frac{2}{3}$ % of the outstanding Common Shares (calculated on a Fully-Diluted Basis (as defined in the Offer to Purchase and Circular)); (ii) the Offeror having determined, in its sole discretion, that there does not exist and there shall not have occurred or been publicly disclosed since the date of the Offer, a Material Adverse Effect (as defined in the Offer to Purchase and Circular); (iii) Apivio shall not have adopted or implemented a shareholder rights plan or taken any other action that provides rights to the Shareholders to purchase any securities of Apivio as a result of the Offer or any Compulsory Acquisition or Subsequent Acquisition Transaction (both of which are defined in the Offer to Purchase and Circular); (iv) all outstanding Convertible Securities shall have been exercised or cancelled on or prior to the Expiry Time on terms satisfactory to the Offeror; and (v) certain regulatory approvals having been obtained and/or waiting periods expired, as described in the Circular. These and other conditions of the Offer, which may be waived by the Offeror, are described in Section 4 of the Offer to Purchase, “Conditions of the Offer”.

Subject to applicable Laws, the Offeror reserves the right to withdraw the Offer and to not take up and pay for any Common Shares deposited under the Offer if any condition of the Offer is not satisfied or waived at or prior to the Expiry Time (as defined in the Offer to Purchase and Circular). Subject to the terms and conditions of the Offer, the Offeror will take up and pay for the Common Shares deposited under the Offer as soon as practicable after the Expiry Time.

### **Information Agent, Depositary and Financial Advisor**

The Offeror has engaged Laurel Hill Advisory Group (“**Laurel Hill**”) to act as an information agent and a depositary (the “**Information Agent and Depositary**”) for the Offer. PI Financial Corp. has been engaged to act as financial advisor to the Offeror.

### **How to Accept the Offer**

Shareholders who wish to accept the Offer must properly complete and execute the accompanying Letter of Transmittal (printed on YELLOW paper) and deposit it, at or prior to the Expiry Time, together with certificate(s) representing the Common Shares in respect of which the Offer is being accepted and all other required documents, with the Information Agent and Depositary at its office specified in the Letter of Transmittal, in accordance with the instructions in the Letter of Transmittal. Alternatively, Shareholders may accept the Offer by following the procedures for: (i) book-entry transfer of Common Shares set out in Section 3 of the Offer to Purchase, “Manner of Acceptance – Acceptance by Book-Entry Transfer”; or (ii) guaranteed delivery set out in Section 3 of the Offer to Purchase, “Manner of Acceptance – Procedure for Guaranteed Delivery”, using the accompanying Notice of Guaranteed Delivery (printed on PINK paper), or a manually executed facsimile thereof.

*Shareholders whose Common Shares are registered in the name of an investment dealer, bank, trust company or other intermediary should immediately contact that intermediary for assistance if they wish to accept the Offer, in order to take the necessary steps to be able to deposit such Common Shares under the Offer. Intermediaries may have established tendering cut-off times that are up to 48 hours prior to the Expiry Time. Shareholders must instruct their brokers or other intermediaries promptly if they wish to tender.*

Questions and requests for assistance may be directed to Laurel Hill, whose contact details are provided on the back cover of this document. Additional copies of this document, the Letter of Transmittal and the Notice of Guaranteed Delivery may be obtained without charge on request from Laurel Hill and are available on SEDAR at [www.sedar.com](http://www.sedar.com) under Apivio’s profile or on the website for the Offer at [www.ApivioOffer.com](http://www.ApivioOffer.com). Website addresses are provided for informational purposes only and no information contained on, or accessible from, such websites are incorporated by reference herein unless expressly incorporated by reference.

No broker, dealer, salesperson or other person has been authorized to give any information or make any representation on behalf of the Offeror not contained in the Offer to Purchase and Circular, and, if given or made, such information or representation must not be relied upon as having been authorized by the Offeror or the Information Agent and Depositary for the purposes of the Offer.

*Shareholders should be aware that prior to the Expiry Time, the Offeror or any of its affiliates may, directly or indirectly, bid for and make purchases of Common Shares as permitted by applicable Law. See Section 12 of the Offer to Purchase, “Market Purchases and Sales of Common Shares”.*

*All cash payments under the Offer will be made in Canadian dollars. Shareholders will not be required to pay any fee or commission if they accept the Offer by depositing their Common Shares directly with the Information Agent and Depositary or if they make use of the services of a Soliciting Dealer (as defined in the Offer to Purchase and Circular) to accept the Offer.*

## **QUESTIONS AND ANSWERS ABOUT THE OFFER**

The following are some of the questions that you, as a shareholder of Apivio, may have and the answers to those questions. The information contained in these questions and answers is a summary only and is not meant to be a substitute for the more detailed description and information contained elsewhere in the Offer to Purchase and Circular, the Letter of Transmittal and/or the Notice of Guaranteed Delivery. Shareholders are urged to read the Offer to Purchase and Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery in their entirety. Terms defined in the Glossary and not otherwise defined in these questions and answers have the respective meanings given to them in the Glossary, unless the context otherwise requires. Cross-references have been included in these questions and answers to other sections of this Offer to Purchase and Circular where you will find more complete descriptions of the topics mentioned below.

Unless otherwise indicated, the information concerning Apivio contained herein and in this Offer to Purchase and Circular has been taken from or is based upon publicly available documents and records on file with the Securities Regulatory Authorities (as defined in the Offer to Purchase and Circular) and other public sources available as of January 17, 2017. As of the date of the Offer, the Offeror and Nuri are not in a position to independently assess or verify certain of the information in Apivio's publicly filed documents, including Apivio's financial statements. Although the Offeror and Nuri have no knowledge that would indicate any statements contained herein and in the Offer to Purchase and Circular and taken from or based on such information are untrue or incomplete, none of the Offeror, Nuri or any of their respective officers or directors assumes any responsibility for the accuracy or completeness of such information or for any failure by Apivio to disclose events or facts which may have occurred or which may affect the significance or accuracy of any such information but which are unknown to the Offeror or Nuri.

### **Who is making the Offer?**

The Offeror is a wholly-owned subsidiary of Nuri. The Offeror is a company incorporated on December 22, 2016 under the laws of the Province of British Columbia. The Offeror's registered office is located at 2900 - 550 Burrard Street, Vancouver, British Columbia V6C 0A3. Nuri's shares are listed for trading on the KOSDAQ under the trading symbol "040160" with a market capitalization of approximately \$127.8 million as at January 16, 2017 (Seoul Republic of Korea time). Nuri is a reporting issuer or the equivalent to such in all of the provinces and territories of the Republic of Korea. The registered and head office of Nuri is located at Nuri Building, 16 Sapyeong-Daero, Seocho-Gu, Seoul, Korea 06552.

Nuri is a provider of next generation communication technology for the internet of things ("IoT") and the smart grid industry. Nuri is a global leader in providing end-to-end advanced metering infrastructure solutions that save consumers money and help utilities to run a network infrastructure that is proven, reliable, future-proof and fully standardized. Nuri's core product offering is a communication solution for smart meters that provides automatic meter readings of electricity, water, gas and other measurements and delivers gathered data through a variety of networks in real time ("AiMiR"). AiMiR helps consumers and utility companies manage their resource consumption by providing real time information, accommodating their resource distribution to optimum levels for both short term and long term infrastructure needs.

To date, Nuri has deployed its communication systems to over two million households and businesses in 19 countries worldwide, and that number continues to grow each day through large-scale deployments in commercial, industrial, and residential markets. With a growing list of global customers, Nuri is expanding its customer base throughout Asia, Europe and Africa. Recent successes for Nuri include winning the US\$79 million Soria projects in Norway and the US\$12 million ECG project in Ghana. See Section 1 of the Circular, "The Offeror" for further information.

### **What is the Offeror proposing?**

The Offeror is offering to purchase, on the terms and subject to the conditions contained in the Offer to Purchase, all of the issued and outstanding Common Shares, including, without limitation, any Common Shares that may become issued and outstanding after the date of the Offer but prior to the Expiry Time upon the exercise, exchange or conversion of Convertible Securities. See Section 1 of the Offer to Purchase, "The Offer".

## What would I receive in exchange for each of my Common Shares?

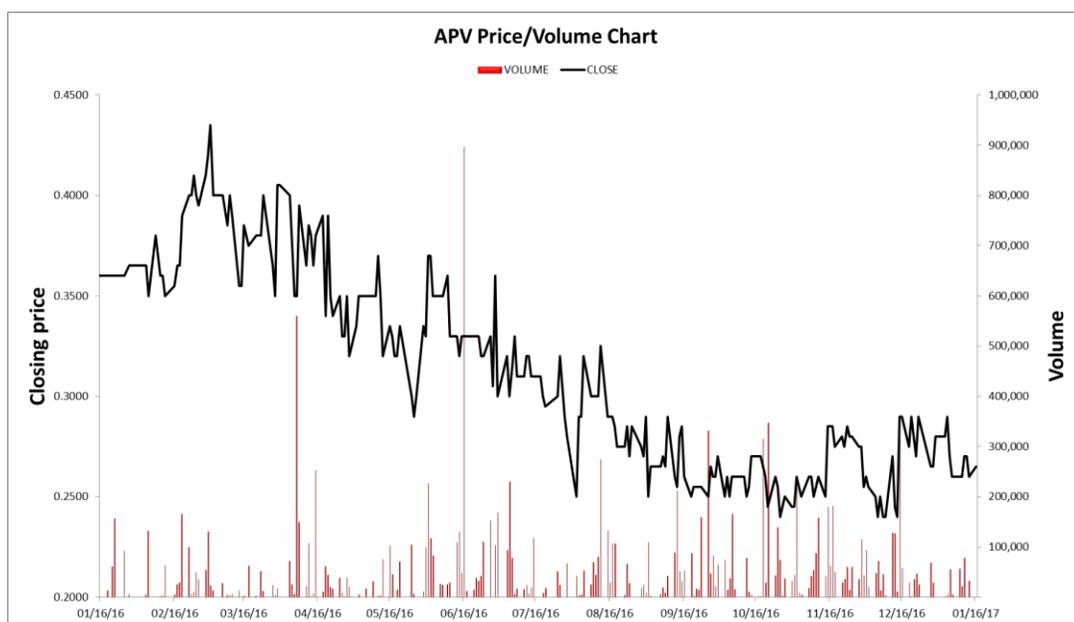
The Offeror is offering \$0.40 in cash for each Common Share you hold without interest and less any required withholding taxes. See Section 1 of the Offer to Purchase, “The Offer”.

## Why should I accept the Offer?

The Offeror believes that Shareholders should consider the following factors, among others, in making a decision whether to accept the Offer:

- **Significant Premium to Market Price.** The Offer represents a significant premium of 51% based on the closing price of the Common Shares on the TSXV on January 16, 2017. The Offer also represents a significant premium of 49% to the volume weighted average trading price of the Common Shares on the TSXV over the 30 trading days ended on January 16, 2017.
- **Fair Value for Apivio.** The Offer price of \$0.40 in cash for each Common Share represents a premium value that fairly reflects the composition and performance of Apivio’s portfolio of assets. The Offer price indicates an enterprise value of approximately \$22 million for Apivio, which implies a price-earnings ratio of approximately 42x to Apivio’s earnings per share of \$0.01, as well as approximately 13x to Apivio’s Adjusted EBITDA, based on Apivio’s most recent four quarters (Q4, 2015 - Q3, 2016) of publicly filed financial information.
- **Realize Significant Value.** The all cash consideration provides Shareholders with the opportunity to realize significant and certain value for their Common Shares. The Offeror believes the immediate value is even more attractive when viewed against the risks inherent in any long term business plan of Apivio, particularly given its recent stock performance.

As the chart below shows, the Apivio Board and management team have presided over a share price decline of approximately 39.08% over the one year prior to January 16, 2017, representing a loss of approximately \$8.98 million in equity value from its highest point on February 3, 2016.



- **Liquidity.** Shareholders currently have limited liquidity based on the trading history of the Common Shares. The aggregate total trading volume for the entire year ended on December 30, 2016 is only 14,538,337 Common Shares, representing less than 28% of the number of issued and outstanding Common Shares. The Offer provides 100% cash consideration at a significant premium for the Common Shares, giving Shareholders certainty of value and immediate liquidity,

with the added benefit of the opportunity to sell their Common Shares free of broker commissions and fees for those who deposit their Common Shares directly with the Information Agent and Depositary

- **Fully Financed Cash Offer.** The Offer is not subject to a financing condition. The Offeror will fund the entire Offer from available cash resources.
- **Low Likelihood of a Competing Offer.** The Offeror believes that Apivio is unlikely to receive a competing offer at a premium to the price being offered by the Offeror.
- **Avoid Uncertainty of Continued Investment in Apivio.** Apivio faces significant challenges that represent a substantial risk for Shareholders going forward, including:
  - **Apivio is Dependent on Moimstone.** Apivio's financial health is dependent on its wholly-owned Korean subsidiary, Moimstone, which represents approximately 95% of Apivio's overall revenues for the 2014 and 2015 fiscal years. Apivio's performance in North America, independent of Moimstone, has been flat, with its major sales to date consisting of a \$2.6 million contract for the UT880 Monet series VoIP phone and a \$0.2 million contract for the Wi-Fi liberty series, Liberty L1 product, in 2015. To put these numbers in perspective, Apivio spent roughly the equivalent amount in North America on research and development and North American marketing expenses.
  - **Moimstone Faces Stagnating Market in Korea.** While Apivio depends on Moimstone for the bulk of its revenues, Moimstone's own future growth prospects face significant headwinds and appear limited. Moimstone operates in the relatively mature market of Korea's VoIP telephony industry where it already enjoys a 95% market share. In this context, the Offeror and Nuri believe any further growth for Moimstone will necessarily involve significant market and execution risks.
  - **Thin Market for High End Products.** As a cornerstone of its business plans, Apivio's management team has devoted substantial resources to developing high-end products such as the UT880 Monet series VoIP phone for NEC America and the Wi-Fi Liberty series units for the North American market. However, the market for high-end products in the VoIP telephony market is relatively thin and can quickly saturate. The Offeror and Nuri believe there are significant risks to the high-end product line strategy currently being pursued by Apivio's management team.
- **Potential for Downward Impact to Common Share Price if Offer Not Accepted.** The Offer represents a significant premium to the market price of the Common Shares prior to the public announcement by the Offeror of its Offer to the Shareholders to acquire Apivio. If the Offer is not successful, and no other offer is made for Apivio, the Offeror believes it is likely the Common Share price will decline significantly below the Offer price.

*The foregoing list of factors is not intended to be exhaustive. Shareholders should consider the Offer carefully and come to their own conclusions as to whether to accept or reject the Offer. Shareholders who are in doubt as to how to respond should consult with their own investment dealer, stockbroker, bank manager, lawyer or other professional advisor. Shareholders are advised that acceptance of the Offer may have tax consequences and they should consult their own professional tax advisors.*

#### **Are any outstanding securities of Apivio not included in the Offer?**

The Offer is being made only for Common Shares and is not being made for any Convertible Securities. Holders of Convertible Securities who wish to accept the Offer must, to the extent permitted by the terms of the security and applicable Law, exercise, exchange or convert the Convertible Securities in order to obtain certificate(s) representing Common Shares and deposit those Common Shares in accordance with the terms of the Offer. Any such exercise, exchange or conversion must be completed sufficiently in advance of the Expiry Time to ensure that the holder of such Convertible Securities will have certificates representing the Common Shares received on such

exercise, exchange or conversion available for deposit at or prior to the Expiry Time, or in sufficient time to comply with the procedures referred to in Section 3 of the Offer to Purchase, “Manner of Acceptance – Procedure for Guaranteed Delivery”.

#### **What will happen to the Convertible Securities I hold?**

The Offer is being made only for Common Shares and is not being made for any Convertible Securities. It is a condition to the Offer being accepted that all outstanding Convertible Securities shall have been exercised or cancelled on or prior to the Expiry Time on terms satisfactory to the Offeror. See Section 4 of the Offer to Purchase, “Conditions of the Offer”, for all of the conditions of the Offer.

#### **What are some of the most significant conditions of the Offer?**

The Offer is conditional upon the specified conditions being satisfied, or where permitted, waived by 11:59 p.m. (Toronto Time) on May 2, 2017 or such earlier or later time during which Common Shares may be deposited under the Offer, excluding the mandatory ten-day extension period or any extension thereafter, which include: (i) there having been validly deposited under the Offer and not withdrawn that number of Common Shares representing more than 66% of the outstanding Common Shares (calculated on a Fully-Diluted Basis); (ii) the Offeror having determined, in its sole discretion, that there does not exist and there shall not have occurred or been publicly disclosed since the date of the Offer, a Material Adverse Effect; (iii) Apivio shall not have adopted or implemented a shareholder rights plan or taken any other action that provides rights to the Shareholders to purchase any securities of Apivio as a result of the Offer or any Compulsory Acquisition or Subsequent Acquisition Transaction; (iv) all outstanding Convertible Securities shall have been exercised or cancelled on or prior to the Expiry Time on terms satisfactory to the Offeror; and (v) certain regulatory approvals having been obtained and/or waiting periods expired, as described in the Circular.

See Section 4 of the Offer to Purchase, “Conditions of the Offer” for all of the conditions of the Offer. Furthermore, see Section 15 of the Circular, “Regulatory Matters” for a summary of the principal regulatory approvals required in connection with the Offer. The Offer is not subject to any due diligence, financing or Shareholder approval conditions.

#### **Does the Offeror believe that the necessary regulatory approvals to complete the Offer will be received?**

The Offeror believes that the Offer will receive all requisite regulatory approvals in due course. A summary of the principal regulatory approvals required in connection with the Offer can be found in Section 15 of the Circular, “Regulatory Matters”.

#### **What is the Offeror’s source of funding for the Offer?**

The Offeror estimates that, if the Offeror acquires all outstanding Common Shares, the total amount of cash required to purchase such Common Shares will be approximately \$22 million, plus related fees and expenses associated with the Offer. The Offeror will finance the Offer in full and pay for the entire consideration payable for the Common Shares from cash resources available to the Offeror. See Section 8 of the Circular, “Source of Funds”.

#### **Why is the Offeror making the Offer?**

The Offeror is making the Offer because Nuri wants to acquire control of, and ultimately acquire all of the outstanding Common Shares of Apivio. If the conditions of the Offer are satisfied or waived at the Expiry Time and the Offeror takes up and pays for the Common Shares validly deposited under the Offer, the Offeror may acquire any Common Shares not deposited under the Offer through a Compulsory Acquisition, if available, or a Subsequent Acquisition Transaction, in each case for consideration per Common Share at least equal in value to and on the same form as the consideration paid by the Offeror per Common Share under the terms of the Offer. The exact timing and details of any such transaction will depend upon a number of factors, including, without limitation, the number of Common Shares acquired pursuant to the Offer. See Section 6 of the Circular, “Purpose of the Offer” and Section 12 of the Circular, “Acquisition of Common Shares Not Deposited”.

### **How long do I have to decide whether to tender into the Offer?**

The Offer is open for acceptance until the Expiry Time, which is 11:59 p.m. (Toronto Time) on May 2, 2017, unless the Offeror extends, accelerates or withdraws the Offer in accordance with its terms. If the Statutory Minimum Condition (as defined in the Offer to Purchase and Circular) is satisfied and the other conditions to the Offer are satisfied or waived such that the Offeror takes up the Common Shares deposited under the Offer, the Offeror will make a public announcement of the foregoing matters and extend the period during which Common Shares may be deposited and tendered to the Offer for a period of not less than ten days after the date of such announcement. See Section 5 of the Offer to Purchase, “Extension, Variation or Change in the Offer”.

### **Can the Offer be extended or accelerated and, if so, under what circumstances?**

Yes. The Offeror may elect, in its sole discretion, to extend the Offer from time to time. If the Offeror takes up any Common Shares under the Offer, the Offer will be extended and remain open for the deposit of Common Shares for not less than ten days from the date on which Common Shares are first taken up.

The initial deposit period under the Offer may be shortened in the following circumstances, subject to a minimum deposit period of at least 35 days from the date of the Offer: (i) if Apivio issues a deposit period news release in respect of either the Offer or another offeror’s take-over bid that is less than 105 days, the Offeror may vary the terms of the Offer to shorten the initial deposit period to at least the number of days from the date of the Offer as stated in the deposit period news release; or (ii) if Apivio issues a news release announcing that it has agreed to enter into, or determined to effect, an Alternative Transaction (as defined in the Offer to Purchase and Circular), the Offeror may vary the terms of the Offer to shorten the initial deposit period to at least 35 days from the date of the Offer. In either case, the Offeror intends to vary the terms of the Offer by shortening the initial deposit period to the shortest possible period consistent with applicable Law.

In accordance with applicable Law, if the Offeror is obligated to take up such Common Shares, the Offeror will extend the period during which Common Shares may be deposited under the Offer for a mandatory ten-day extension period following the expiry of the initial deposit period and may extend the deposit period after such mandatory ten-day extension period for Optional Extension Periods (as defined in the Offer to Purchase and Circular). The Offeror will take up and pay for Common Shares deposited under the Offer during the mandatory ten-day extension period and any Optional Extension Period not later than ten days after such deposit. See Section 5 of the Offer to Purchase, “Extension, Variation or Change in the Offer”.

If the Offeror extends or accelerates the Offer, the Offeror will notify the Information Agent and Depositary and publicly announce such extension or acceleration and, if required by applicable Law, mail you a copy of the notice of variation. See Section 5 of the Offer to Purchase, “Extension, Variation or Change in the Offer”.

### **How do I tender my Common Shares?**

To accept the Offer you may deliver the certificate(s) representing the Common Shares in respect of which you are accepting the Offer, together with a properly completed and duly executed Letter of Transmittal (printed on YELLOW paper), and all other required documents to the Information Agent and Depositary at its office specified in the Letter of Transmittal at or prior to the Expiry Time. Detailed instructions are contained in the Letter of Transmittal that accompanies the Offer. See Section 3 of the Offer to Purchase, “Manner of Acceptance — Letter of Transmittal”.

*If your Common Shares are registered in the name of an investment dealer, bank, trust company or other intermediary, you should immediately contact that intermediary for assistance if you wish to accept the Offer or exercise, exchange or convert Convertible Securities into Common Shares to accept the Offer in order to take the necessary steps to be able to deposit such securities under the Offer. Intermediaries may have established tendering cut-off times that are up to 48 hours prior to the Expiry Time. You must instruct your broker or other intermediary promptly if you wish to tender.*

If you wish to deposit Common Shares pursuant to the Offer and: (i) the certificate(s) representing such Common Shares is (are) not immediately available; (ii) you cannot complete the procedure for book-entry transfer of the Common Shares on a timely basis; or (iii) the certificates and all other required documents cannot be delivered to the Information Agent and Depositary at or prior to the Expiry Time, such Common Shares may be validly

deposited under the Offer in compliance with the procedures for guaranteed delivery using the accompanying Notice of Guaranteed Delivery (printed on PINK paper). See Section 3 of the Offer to Purchase, “Manner of Acceptance – Procedure for Guaranteed Delivery”.

You may also accept the Offer by following the procedures for book-entry transfer detailed in the Offer to Purchase and Circular and have your Common Shares tendered by your intermediary through CDS or DTC, as applicable, provided such procedures are completed prior to the Expiry Time. See Section 3 of the Offer to Purchase, “Manner of Acceptance – Acceptance by Book-Entry Transfer”.

You should contact the Information Agent and Depositary, or a broker or dealer for assistance in accepting the Offer and in depositing your Common Shares with the Information Agent and Depositary. To keep current with further developments and information about the Offer, visit [www.ApivioOffer.com](http://www.ApivioOffer.com).

The Information Agent and Depositary, Laurel Hill, can be contacted by telephone at 1-877-452-7184 (North American Toll Free Number) or +1-416-304-0211 (outside North America) or by email at [assistance@laurelhill.com](mailto:assistance@laurelhill.com).

### **What if I have lost my Common Share certificate(s), but wish to tender my Common Shares to the Offer?**

You should complete your Letter of Transmittal to the extent possible and deliver it together with a letter describing the circumstances surrounding the loss to the Information Agent and Depositary. The Information Agent and Depositary will forward such letter to the transfer agent for the Common Shares and such transfer agent will advise you of the steps that you must take to obtain a replacement certificate for your Common Shares. The foregoing action must be taken sufficiently in advance of the Expiry Time in order to obtain a replacement certificate in sufficient time to permit the Common Shares represented by the replacement certificate to be deposited under the Offer at or prior to the Expiry Time. See Section 3 of the Offer to Purchase, “Manner of Acceptance — Letter of Transmittal”.

### **Will I have to pay any fees or commissions?**

You will not be required to pay any fee or commission if you accept the Offer by depositing your Common Shares directly with the Information Agent and Depositary or if you make use of the services of a Soliciting Dealer to accept the Offer. However, a broker or other nominee that is not a Soliciting Dealer and through whom you own your Common Shares may charge a fee to tender any such Common Shares on behalf of you. You should consult your investment advisors, stock brokers or other intermediary to determine whether any charges will apply.

### **When will the Offeror pay for Deposited Common Shares?**

If all of the conditions of the Offer described in Section 4 of the Offer to Purchase, “Conditions of the Offer”, have been satisfied or waived by the Offeror at or prior to the Expiry Time, the Offeror will take up and pay for Common Shares validly deposited under the Offer and not properly withdrawn. Any Common Shares will be taken up immediately after the initial deposit period for the Offer, and the Offeror will pay for Common Shares taken up as soon as possible but in any event not later than three business days after taking up the Common Shares.

In accordance with applicable Law, if the Offeror is obligated to take up such Common Shares, the Offeror will extend the period during which Common Shares may be deposited under the Offer for a mandatory ten-day extension period following the expiration of the initial deposit period and may extend the deposit period for Optional Extension Periods. The Offeror will take up and pay for Common Shares deposited under the Offer during the mandatory ten-day extension period and any Optional Extension Period not later than ten days after such deposit. See Section 6 of the Offer to Purchase, “Take-Up of and Payment for Deposited Common Shares”.

### **Will I be able to withdraw previously tendered Common Shares?**

You may withdraw Common Shares you deposit under the Offer at any time: (i) before the Offeror takes up the Common Shares deposited under the Offer; (ii) if the Offeror does not pay for the Deposited Common Shares (as defined in the Offer to Purchase and Circular) within three business days after having taken up such Common Shares; and (iii) in certain other circumstances discussed in Section 7 of the Offer to Purchase, “Withdrawal of Deposited Common Shares”.

### **How do I withdraw previously tendered Common Shares?**

To withdraw previously tendered Common Shares, you must send a notice of withdrawal to the Information Agent and Depository prior to the occurrence of certain events and within the time periods set forth in Section 7 of the Offer to Purchase, “Withdrawal of Deposited Common Shares”. The notice must contain the specific information outlined in Section 7 of the Offer to Purchase. If Common Shares have been deposited pursuant to the procedures for book-entry transfer, as set out in Section 3 of the Offer to Purchase, “Manner of Acceptance — Acceptance by Book-Entry Transfer”, any notice of withdrawal must specify the name and number of the account at CDS or DTC, as applicable, to be credited with the withdrawn Common Shares and otherwise comply with the procedures of CDS or DTC, as applicable.

If your stockbroker, dealer, bank or other intermediary has tendered Common Shares on your behalf and you wish to withdraw such Common Shares, you must arrange for such intermediary to timely withdraw such securities.

### **What Response to the Offer from the Apivio Board Should be Expected?**

Under applicable securities Laws, a directors’ circular must be prepared and sent to Shareholders no later than 15 days from the date of commencement of the Offer. The directors’ circular must include either: (i) a recommendation to accept or reject the offer, and the reasons for the board of directors’ recommendation, a statement that the board of directors is unable to make or is not making a recommendation; (ii) if no recommendation is made, the reasons for not making a recommendation; or (iii) a statement that the board of directors is considering the Offer and advising holders not to deposit under the Offer until they receive further information from the board of directors, provided that the board of directors must communicate to security holders a recommendation to accept or reject the Offer or the decision that it is unable to make, or is not making, a recommendation, together with the reasons for the recommendation or decision, at least seven days before the scheduled expiry of the initial deposit period.

### **How will Canadian residents and non-residents of Canada be taxed for Canadian income tax purposes?**

Generally, a Shareholder who: (i) is, or is deemed to be, resident in Canada; (ii) deals at arm’s length with the Offeror and Apivio; (iii) is not affiliated with the Offeror or Apivio; (iv) holds the Common Shares as capital property; and (v) did not acquire Common Shares pursuant to an Option (as defined in the Offer to Purchase and Circular), and who sells such shares to the Offeror under the Offer will realize a capital gain (or capital loss) equal to the amount by which the cash received, net of any reasonable costs of disposition, exceeds (or is less than) the aggregate adjusted cost base to the Shareholder of such Common Shares.

Generally, a Shareholder who is not, and is not deemed to be resident in Canada and who does not use or hold, and is not deemed to use or hold, their Common Shares in a business carried on in Canada will not be subject to tax in Canada in respect of any capital gain realized on the sale of Common Shares to the Offeror under the Offer, unless those shares constitute “taxable Canadian property” to such Shareholder within the meaning of the Tax Act (as defined in the Offer to Purchase and Circular) and that gain is not otherwise exempt from tax under the Tax Act pursuant to an exemption contained in an applicable income tax treaty.

*The foregoing is a brief summary of certain Canadian federal income tax consequences and is qualified in its entirety by Section 17 of the Circular, “Certain Canadian Federal Income Tax Considerations”, which provides a summary of the principal Canadian federal income tax considerations generally applicable to certain Shareholders. Shareholders are urged to consult their own tax advisors to determine the particular tax consequences to them of a sale of Common Shares pursuant to the Offer, a Compulsory Acquisition or a Subsequent Acquisition Transaction. Holders of Convertible Securities should consult their own tax advisors having regard to their own personal circumstances.*

### **How will I be taxed for U.S. federal income tax purposes?**

Generally, a U.S. Shareholder (as defined in the Offer to Purchase and Circular) who owns Common Shares as capital assets and who disposes of such Common Shares pursuant to the Offer will realize a taxable gain or loss for U.S. federal income tax purposes. The U.S. federal income tax treatment of such gain or loss to a U.S. Shareholder will depend, in part, upon whether Apivio is or was a PFIC (as defined in the Offer to Purchase and Circular) for any taxable year in which such U.S. Shareholder has held Common Shares and whether such U.S. Shareholder has made any election under the PFIC rules.

*The foregoing is a brief summary of certain United States federal income tax consequences of the Offer and is qualified in its entirety by Section 18 of the Circular, “Certain United States Federal Income Tax Considerations”, which provides a summary of certain material United States federal income tax considerations generally applicable to U.S. Shareholders. Shareholders are urged to consult their own tax advisors to determine the particular tax consequences to them of a sale of Common Shares pursuant to the Offer, a Compulsory Acquisition or a Subsequent Acquisition Transaction. Holders of Convertible Securities should consult their own tax advisors having regard to their own personal circumstances.*

**If I decide not to tender, how will my Common Shares be affected?**

If, within four months after the date of the Offer, the Offer is accepted by holders of Common Shares holding at least 90% of the issued and outstanding Common Shares, the Offeror may seek, to the extent possible, to acquire those Common Shares not tendered to the Offer by way of a Compulsory Acquisition. If a Compulsory Acquisition is not available, the Offeror may seek to acquire the remaining Common Shares not tendered to the Offer, including by way of a Subsequent Acquisition Transaction for consideration at least equal in value to and in the same form as the consideration paid pursuant to the Offer. There can be no assurances that the Offeror will pursue a Compulsory Acquisition or a Subsequent Acquisition Transaction. The timing and details of such a Subsequent Acquisition Transaction, if any, will necessarily depend on a variety of factors, including, without limitation, the number of Common Shares acquired pursuant to the Offer. If, after taking up Common Shares under the Offer, the Offeror owns at least 66⅔% of the outstanding Common Shares and sufficient votes are cast by “minority” holders to constitute a majority of the “minority” pursuant to MI 61-101 (as defined in the Offer to Purchase and Circular), the Offeror should own sufficient Common Shares to be able to effect a Subsequent Acquisition Transaction. See Section 12 of the Circular, “Acquisition of Common Shares Not Deposited”.

If the Offeror takes up Common Shares under the Offer but is unable to complete a Compulsory Acquisition or Subsequent Acquisition Transaction, then Apivio will continue as a public company and the Offeror will evaluate its alternatives. Such alternatives could include, to the extent permitted by applicable Law, purchasing additional Common Shares in the open market, in privately negotiated transactions or pursuant to another take-over bid or other transaction, and thereafter proposing an amalgamation, arrangement or other transaction which would result in the Offeror’s ownership of 100% of the Common Shares. Under such circumstances, an amalgamation, arrangement or other transaction to obtain ownership of 100% of the Common Shares would generally require the approval of at least 66⅔%, and might require approval of a majority of the votes cast by holders of Common Shares other than the Offeror and its affiliates. There is no certainty that under such circumstances any such transaction would be proposed or completed by the Offeror.

In addition, if the Offeror takes up Common Shares under the Offer, the Offeror intends to replace some or all of the existing members of the Apivio Board with individuals nominated by the Offeror, which may include individuals currently serving as a member of Nuri’s board of directors. The Offeror also intends, subject to the approval of the new Apivio Board, to replace some or all of Apivio’s management team. See Section 6 of the Circular, “Purpose of the Offer”, Section 7 of the Circular, “Effects of the Offer”, and Section 12 of the Circular, “Acquisition of Common Shares not Deposited”.

**Will Apivio continue as a public company?**

As indicated above, the Offeror may enter into one or more transactions to enable the Offeror to acquire all Common Shares not acquired pursuant to the Offer. If the Offeror is able to complete such a transaction, the Offeror and Nuri intend to seek to delist the Common Shares from the TSXV and to cause Apivio to cease to be a reporting issuer under applicable securities Laws.

If the Offeror takes up Common Shares under the Offer but is unable to complete a Compulsory Acquisition or Subsequent Acquisition Transaction, then Apivio will continue as a public company and the Offeror and Nuri will evaluate its alternatives. In such circumstances, the Offeror’s purchase of Common Shares under the Offer will have reduced the number of Common Shares that trade publicly, as well as the number of Shareholders, and, depending on the number of Common Shares purchased under the Offer, could materially adversely affect the liquidity and market value of the remaining Common Shares held by the public.

As indicated above, if the Offeror takes up Common Shares under the Offer, the Offeror and Nuri intend to replace some or all of the existing members of the Apivio Board with individuals nominated by the Offeror and, subject to

the approval of the new Apivio Board, to replace some or all of Apivio's management team. See "If I decide not to tender, how will my Common Shares be affected?" in this section above.

**Do I have dissent or appraisal rights in connection with the Offer?**

Shareholders who do not deposit their Common Shares under the Offer will not be entitled to any right of dissent or appraisal in connection with the Offer. However, Shareholders who do not deposit their Common Shares under the Offer may have certain rights of dissent in the event the Offeror elects to acquire such Common Shares by way of a Subsequent Acquisition Transaction and certain other rights with respect to a Compulsory Acquisition, including, without limitation, the right to seek judicial determination of the fair value of their Common Shares. See Section 12 of the Circular, "Acquisition of Common Shares Not Deposited".

**Who can I call with questions about the Offer or for more information?**

You can call the Information Agent and Depositary if you have any questions regarding the Offer or how to tender your Common Shares, or if you require additional copies of this document, the Letter of Transmittal or the Notice of Guaranteed Delivery (these documents will be provided without charge upon request and are available on SEDAR at [www.sedar.com](http://www.sedar.com) or the website for the Offer at [www.ApivioOffer.com](http://www.ApivioOffer.com)).

Questions and requests for assistance may be directed to the Information Agent and Depositary:



**North American Toll Free:** 1-877-452-7184  
**Calls Outside North America:** +1-416-304-0211  
**Email:** [assistance@laurelhill.com](mailto:assistance@laurelhill.com)

**By Mail:**  
PO Box 370, STN Adelaide  
Toronto, Ontario  
M5C 2J5

**By Registered Mail, Hand or Courier:**  
70 University Avenue, Suite 1440  
Toronto, Ontario, M5J 2M4

**Facsimile:** 1-416-646-2415

To keep current with further developments and information about the Offer, visit [www.ApivioOffer.com](http://www.ApivioOffer.com).

## **NOTICE TO SHAREHOLDERS IN THE UNITED STATES**

The Offer is being made for the Common Shares of a Canadian company that does not have securities registered under Section 12 of the United States Securities Exchange Act of 1934, as amended (the “**U.S. Exchange Act**”). Accordingly, the Offer is not subject to Section 14(d) of the U.S. Exchange Act, or Regulation 14D promulgated by the U.S. Securities and Exchange Commission thereunder. The Offer is made in the United States with respect to securities of a “foreign private issuer”, as such term is defined in Rule 3b-4 under the U.S. Exchange Act, in accordance with Canadian corporate and securities law requirements. Shareholders in the United States should be aware that such requirements are different from those of the United States applicable to tender offers under the U.S. Exchange Act and the rules and regulations promulgated thereunder.

Shareholders in the United States should be aware that the disposition of Common Shares by them as described herein may have tax consequences both in the United States and in Canada. Such consequences may not be fully described herein and such holders are urged to consult their tax advisors. See Section 17 of the Circular, “Certain Canadian Federal Income Tax Considerations” and Section 18 of the Circular, “Certain United States Federal Income Tax Considerations”.

Shareholders in the United States should be aware that the Offeror or its affiliates, directly or indirectly, may bid for or make purchases of Common Shares during the period of the Offer other than through the Offer, such as in open market purchases, as permitted by applicable Law in Canada.

It may be difficult for Shareholders in the United States to enforce their rights and any claim they may have arising under United States federal securities Laws since the Offeror, Apivio and Nuri are incorporated or are formed under the federal and provincial Laws of Canada or the Laws of the Republic of Korea, some of the officers and directors of each of the Offeror, Nuri and Apivio reside outside the United States, some of the experts named herein may reside outside the United States, and all or a substantial portion of the assets of the Offeror, Nuri or Apivio and the other above-mentioned persons are located outside the United States. Shareholders in the United States may not be able to sue the Offeror, Nuri and/or Apivio or their respective officers or directors in a non-U.S. court for violation of United States federal securities Laws. It may be difficult to compel such parties to subject themselves to the jurisdiction of a court in the United States or to enforce a judgment obtained from a court of the United States.

## **NOTICE TO HOLDERS OF CONVERTIBLE SECURITIES**

The Offer is being made only for Common Shares and is not being made for any Convertible Securities. Holders of Convertible Securities who wish to accept the Offer must, to the extent permitted by the terms of such security and applicable Law, exercise, exchange or convert such Convertible Securities in order to obtain certificate(s) representing Common Shares and deposit those Common Shares in accordance with the terms of the Offer. Any such exercise, exchange or conversion must be completed sufficiently in advance of the Expiry Time to ensure that the holder of such Convertible Securities will have the certificates representing the Common Shares received on such exercise, exchange or conversion available for deposit at or prior to the Expiry Time, or in sufficient time to comply with the procedures referred to under Section 3 of the Offer to Purchase, “Manner of Acceptance — Procedure for Guaranteed Delivery”. It is a condition to the Offer being accepted that all outstanding Convertible Securities shall have been exercised or cancelled on or prior to the Expiry Time on terms satisfactory to the Offeror. See Section 4 of the Offer to Purchase, “Conditions of the Offer” for all of the conditions of the Offer.

*The tax consequences to holders of Convertible Securities of exercising, exchanging or converting such securities are not described in either Section 17 of the Circular, “Certain Canadian Federal Income Tax Considerations” or in Section 18 of the Circular, “Certain United States Federal Income Tax Considerations”. Holders of Convertible Securities should consult their tax advisors for advice with respect to potential income tax consequences to them in connection with the decision as to whether to exercise, exchange or convert their Convertible Securities.*

## **CURRENCY**

All references to “\$” in this Offer to Purchase and Circular mean Canadian dollars, except where otherwise indicated. Since Nuri reports its financial results in the denomination of Korean Won (“**KRW**”), certain financial information of Nuri has been translated using the Korea Exchange Bank closing exchange rate on January 16, 2017

for the purpose of the Offer and Circular. The exchange rate for Canadian dollars to Korean Won was \$1.00 to KRW901.2 on January 16, 2017.

### **FORWARD-LOOKING INFORMATION**

This document contains forward-looking information (“**forward-looking information**”) within the meaning of applicable Laws. Forward-looking information is not based on historical facts, but rather on current expectations and projections about future events, and is therefore subject to risks and uncertainties that could cause actual results to differ materially from the future results expressed or implied by the forward-looking information. Often, but not always, forward-looking information can be identified by the use of forward-looking words such as “plans”, “expects”, “intends”, “anticipates”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “should”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking information contained in the Offer to Purchase and Circular and documents attached thereto includes, but is not limited to, statements relating to the following: the consideration per Common Share; the expected Expiry Time; the satisfaction or waiver of the conditions to consummate the Offer; the expected benefits of the Offer; the results, effects and timing of the Offer; the Offeror taking up and paying for the Common Shares deposited under the Offer as soon as practicable after the Expiry Time; tax consequences for Shareholders; Nuri’s shares being listed on the KOSDAQ and its corresponding market capitalization; Nuri’s status as a reporting issuer or the equivalent of such; the growth of Nuri’s business; the products that Nuri manufactures and distributes; the availability of cash for Nuri to finance the Offer; satisfying the conditions of the Offer; Shareholders receiving a competing offer; risk to Shareholders if the Apivio Board and management team continue to pursue their standalone strategy; impact on Common Share price if the Offer, or a subsequent offer, is not successful; the Offer receiving the required regulatory approvals and the process and timing of such; the total amount of cash required to purchase the Common Shares; Nuri’s intention to, and the availability of, a Compulsory Acquisition or a Subsequent Acquisition Transaction to acquire any Common Shares not deposited under the Offer; Nuri’s potential election to accelerate the Expiry Time and shorten the initial deposit period; when Common Shares that are taken up with respect to the Offer will be paid for; Nuri’s intention to replace all of the Apivio Board and some or all of Apivio’s management team; impact on Common Shares if Apivio remains a public company failing a Compulsory Acquisition or Subsequent Acquisition Transaction; the Offeror making a public announcement extending the deposit period; intention of the Offeror not to sell Common Shares taken up under the Offer; Nuri’s ability to cause Apivio to delist from the TSXV; Nuri’s consideration of other alternatives if a Compulsory Acquisition or Subsequent Acquisition Transaction is not completed; the form of any Subsequent Acquisition Transaction; Shareholders’ rights in respect of any Subsequent Acquisition Transaction; applicability of competition or anti-trust concerns and corresponding approvals; the position taken by applicable Regulatory Authorities with respect to Offer and post-Offer transactions (if any) and the tax implications of such with respect to Shareholders. It is important to know that:

- unless otherwise indicated, forward-looking statements in this document describe the Offeror’s expectations as at January 17, 2017 and, accordingly, are subject to change after such date;
- nothing contained herein shall be deemed to be a forecast, projection or estimate of the future financial performance of the Offeror or any of its affiliates or Apivio;
- the Offeror’s actual results and events could differ materially from those expressed or implied in the forward-looking information herein, if known or unknown risks affect the business of the Offeror, or if its estimates or assumptions turn out to be inaccurate. **As a result, the Offeror cannot guarantee that the results or events expressed or implied in any forward-looking information will materialize, and accordingly, you are cautioned against relying on these forward-looking statements;** and
- the Offeror disclaims any intention and assumes no obligation to update or revise any forward-looking information even if new information becomes available, as a result of future events or for any other reason, except in accordance with applicable Laws.

Although the Offeror and Nuri believe that the expectations reflected in such forward-looking information are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements. Certain material factors or assumptions are applied in making forward-looking information, and actual results may differ materially from those expressed or implied in such statements. Important factors that could cause

actual results, performance or achievements of the Offeror or the completion of the Offer to differ materially from any future results, performance or achievements expressed or implied by such forward-looking information include, among other things: the outcome of post-Offer transactions (if any); actions taken by Apivio or the Shareholders with respect to the Offer; non-waiver of incomplete conditions of the Offer; the number of Common Shares acquired by the Offeror; the ability of the Offeror to acquire any applicable regulatory approvals; potential adverse reactions or changes to business relationships resulting from the announcement; pendency or completion of the Offer transaction or any subsequent transaction; competitive responses to the announcement or completion of the Offer; costs and difficulties related to the integration of Apivio's businesses and operations with Nuri's businesses and operations; unexpected costs, liabilities, charges or expenses resulting from the proposed transactions; litigation relating to the proposed transactions; the inability to retain key personnel; any changes in general economic and/or industry-specific conditions; industry risk; legislative or regulatory changes; competition in the telecommunication industry; financial leverage for additional funding requirements; capital requirements for growth; interest rates; dependence on skilled staff; labour disruptions; geographical concentration; credit risk; liquidity risk; changes in capital or securities markets; fluctuations in currency and interest rates; that there are no inaccuracies or material omissions in Apivio's publicly available information and that Apivio made full and accurate disclosure of all material information concerning Apivio in accordance with applicable securities Laws (including disclosure of all material contracts and existing potential contingent liability) and that there have been no material changes in the capital, prospects or assets of Apivio since September 30, 2016, except as announced by Apivio prior to the date hereof. These are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in any of the Offeror's forward-looking information. Other unknown and unpredictable factors could also impact the Offeror and Nuri's results. Many of these risks and uncertainties relate to factors beyond the ability of the Offeror and Nuri to control or estimate precisely. Consequently, there can be no assurance that the actual results or developments anticipated by the Offeror and Nuri will be realized or, even if substantially realized, that they will have the expected consequences for, or effects on, their future results and performance.

Unless otherwise indicated, the information concerning Apivio contained herein has been taken from or is based upon Apivio's, and other publicly available, documents and records on file with the Securities Regulatory Authorities and other public sources at the time of the Offer. Although the Offeror and Nuri have no knowledge that would indicate that any statements contained herein relating to Apivio taken from or based on such documents and records are untrue or incomplete, neither the Offeror, Nuri nor any of their respective officers or directors assumes any responsibility for the accuracy or completeness of such information, or for any failure by Apivio to disclose events or facts that may have occurred or which may affect the significance or accuracy of any such information, but which are unknown to the Offeror and Nuri.

#### **NON-IFRS MEASURES**

This Offer to Purchase and Circular makes reference to certain non-IFRS measures. These non-IFRS measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement IFRS measures by providing further understanding of operations from management's perspective. Accordingly, non-IFRS measures should never be considered in isolation nor as a substitute for analysis of financial information reported under IFRS. Specifically, this Offer to Purchase and Circular discloses Adjusted EBITDA, which is a non-IFRS measure used by Apivio. Apivio defines Adjusted EBITDA as net income (loss) before interest expense, taxes, depreciation, amortization and stock compensation and as adjusted for the items described in the reconciliation table disclosed in the management's discussion and analysis of Apivio for the three and nine months ended September 30, 2016. Adjusted EBITDA is not necessarily comparable to similarly titled measures used by other companies. Adjusted EBITDA is not a measurement of operating performance or liquidity under IFRS and should not be considered as a substitute for earnings from operations, net income or cash generated by operating activities computed in accordance with IFRS. Companies may calculate Adjusted EBITDA differently than Apivio does, limiting its usefulness as a comparative measure.

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## GLOSSARY

*This Glossary forms a part of the Offer to Purchase and Circular. In the Offer to Purchase and Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery, unless otherwise specified or the subject matter or context is inconsistent therewith, the following terms shall have the meanings set out below, and grammatical variations thereof shall have the corresponding meanings:*

“**Adjusted EBITDA**” has the meaning given to it under the heading “Non-IFRS Measures”;

“**affiliate**” in the context of the statutory procedures under the BCA described in the Offer to Purchase and the Circular, includes any Person or entity that constitutes an affiliate under the BCA and otherwise includes any Person or entity that constitutes an affiliate within the meaning given to it in NI 62-104;

“**Agent’s Message**” has the meaning given to it in Section 3 of the Offer to Purchase, “Manner of Acceptance — Acceptance by Book-Entry Transfer”;

“**allowable capital loss**” has the meaning given to it in Section 17 of the Circular, “Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Sale Pursuant to the Offer”;

“**Alternative Transaction**” means, for Apivio:

- (a) an amalgamation, merger, arrangement, consolidation, or any other transaction of Apivio, or an amendment to the terms of a class of equity securities of Apivio, as a consequence of which the interest of a holder of Common Shares may be terminated without the Shareholder’s consent, regardless of whether the Common Share is replaced with another security, but does not include:
  - (i) a consolidation of securities that does not have the effect of terminating the interests of Shareholders in Common Shares without their consent, except to an extent that is nominal in the circumstances;
  - (ii) a circumstance in which Apivio may terminate a Shareholder’s interest in the Common Shares, under the terms attached to the Common Shares, for the purpose of enforcing an ownership or voting constraint that is necessary to enable Apivio to comply with legislation, lawfully engage in a particular activity or have a specified level of Canadian ownership; or
  - (iii) a transaction solely between or among Apivio and one or more subsidiaries of Apivio; or
- (b) a sale, lease or exchange of all or substantially all the property of Apivio if the sale, lease or exchange is not in the ordinary course of business of Apivio, but does not include a sale, lease or exchange solely between or among Apivio and one or more subsidiaries of Apivio;

“**associate**” has the meaning given to it in NI 62-104;

“**BCA**” means the *Business Corporations Act* (British Columbia), and the regulations thereunder, as amended from time to time;

“**Book-Entry Confirmation**” means confirmation of a book-entry transfer of a Shareholder’s Common Shares into the Information Agent and Depository’s account at CDS or DTC, as applicable;

“**business combination**” has the meaning given to it in MI 61-101;

“**business day**” means any day other than a Saturday, a Sunday or a statutory holiday in any province or territory in Canada;

“**Apivio**” means Apivio Systems Inc., a corporation existing under the BCA;

“**Apivio Board**” means the board of directors of Apivio;

“**CDS**” means CDS Clearing and Depository Services Inc.;

“**CDSX**” means the CDS on-line tendering system pursuant to which book-entry transfers may be effected;

“**Circular**” means the take-over bid circular accompanying and forming part of the Offer;

“**Code**” has the meaning given to it in Section 17 of the Circular, “Certain United States Federal Income Tax Considerations”;

“**Commissioner**” means the Commissioner of Competition appointed under subsection 7(1) of the Competition Act or any person duly authorized to perform duties on behalf of the Commissioner of Competition;

“**Common Shares**” means the issued and outstanding common shares of Apivio including, without limitation, common shares of Apivio issued on the exercise, exchange or conversion of Convertible Securities, and “**Common Share**” means any one common share of Apivio;

“**Competition Act**” means the *Competition Act* (Canada);

“**Competition Tribunal**” means the tribunal established by subsection 3(1) of the *Competition Tribunal Act* (Canada);

“**Compulsory Acquisition**” has the meaning given to it in Section 12 of the Circular, “Acquisition of Common Shares Not Deposited – Compulsory Acquisition”;

“**Convention**” has the meaning given to it in Section 17 of the Circular, “Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada – Subsequent Acquisition Transaction”;

“**Convertible Securities**” means the Options, warrants and any securities of Apivio that are exercisable or exchangeable for or convertible into Common Shares;

“**Court**” means the Supreme Court of British Columbia;

“**CRA**” has the meaning given to it in Section 17 of the Circular, “Certain Canadian Federal Income Tax Considerations”;

“**deposit period news release**” means a news release issued by Apivio in respect of a proposed or commenced take-over bid for the Common Shares and stating an initial deposit period for the bid of not more than 105 days and not less than 35 days, expressed as a number of days from the date of the bid;

“**Deposited Common Shares**” means, by accepting the Offer, all Common Shares for which a Shareholder has deposited, sold, assigned and transferred to the Offeror all right, title and interest;

“**Dissenting Offeree**” has the meaning given to it in Section 12 of the Circular, “Acquisition of Common Shares Not Deposited – Compulsory Acquisition”;

“**Distributions**” has the meaning given to it in Section 3 of the Offer to Purchase, “Manner of Acceptance — Dividends and Distributions”;

“**DTC**” means The Depository Trust Company;

“**Effective Time**” has the meaning given to it in Section 3 of the Offer to Purchase, “Manner of Acceptance — Power of Attorney”;

“**Eligible Institution**” means a Canadian Schedule I chartered bank, or an eligible guarantor institution with membership in an approved Medallion signature guarantee program, a member of the Securities Transfer Agents Medallion Program or a member of the Stock Exchanges Medallion Program or a member of the New York Stock Exchange Medallion Signature Program;

**“Expiry Time”** means 11:59 p.m. (Toronto Time) on May 2, 2017, or such earlier or later time or times and date or dates as may be fixed by the Offeror from time to time pursuant to Section 5 of the Offer to Purchase, “Extension, Variation or Change in the Offer”;

**“Extended Offeror Group”** has the meaning given to it in Section 9 of the Circular, “Ownership and Trading in Securities of Apivio”;

**“Fully-Diluted Basis”** means, with respect to the number of Common Shares at any time, the number of Common Shares that would be outstanding assuming all Options, warrants and any other rights to receive Common Shares outstanding at that time (whether or not yet exercisable or convertible) have been exercised or converted in accordance with their terms as publicly disclosed by Apivio;

**“Holder”** has the meaning given to it in Section 17 of the Circular, “Certain Canadian Federal Income Tax Considerations”;

**“ICA”** has the meaning given to it in Section 15 of the Circular, “Regulatory Matters”;

**“Information Agent and Depositary”** means Laurel Hill Advisory Group, which can be contacted within North America at 1-877-452-7184 and outside of North America at +1-416-304-0211 or by e-mail at assistance@laurelhill.com;

**“initial deposit period”** means the period, including, without limitation, any extension, during which securities may be deposited under a take-over bid but does not include the mandatory ten-day extension period or an Optional Extension Period, which initial deposit period will be 105 days as it may be shortened in accordance with applicable Law;

**“insider”** has the meaning given to it in the Securities Act;

**“IRS”** has the meaning given to it in Section 18 of the Circular, “Certain United States Federal Income Tax Considerations”;

**“Law”** or **“Laws”** means any applicable laws, including, without limitation, international, national, provincial, state, municipal and local laws, treaties, statutes, ordinances, judgments, decrees, injunctions, writs, certificates and orders, by-laws, rules, regulations, policies, directives or other requirements of any Regulatory Authority having the force of law and the term “applicable” with respect to such Laws and in a context that refers to one or more persons, means such Laws as are applicable to such person or its business, undertaking, property or securities and emanate from a person having jurisdiction over the person or persons or its or their business, undertaking, property or securities;

**“Letter of Transmittal”** means the letter of transmittal in the form accompanying the Offer (printed on YELLOW paper);

**“Locked-Up Shareholders”** means the Shareholders who have signed Lock-Up Agreements, one of which includes, without limitation, C.W. Lee; the founder and former CEO of Moimstone, and former board member of Apivio;

**“Lock-Up Agreements”** means the support agreements, dated from January 10, 2017 to January 16, 2017, between the Offeror and the Locked-Up Shareholders, pursuant to which, among other things, the Locked-Up Shareholders have agreed to tender their Common Shares to the Offer;

**“LOG option”** has the meaning given to it in Section 3 of the Offer to Purchase, “Manner of Acceptance — Procedure for Guaranteed Delivery”;

**“mandatory ten-day extension period”** has the meaning given to it in Section 6 of the Offer to Purchase, “Take-up and Payment for Deposited Common Shares”;

**“Material Adverse Effect”** means any condition, event, circumstance, change, effect, development, occurrence or state of facts which, when considered either individually or in the aggregate: (i) is, or could reasonably be expected to be, material and adverse to the assets, liabilities (whether absolute, accrued, conditional or otherwise and

including, without limitation, any contingent liabilities that may arise through outstanding, pending or threatened litigation or otherwise), business, operations, results of operations, financial condition, prospects, rights or status for tax purposes of Apivio, its subsidiaries and its material joint ventures, taken as a whole; (ii) could reasonably be expected to reduce the anticipated economic value to the Offeror or any of its affiliates, including Nuri of the acquisition of the Common Shares or make it inadvisable for, or impair the ability of, the Offeror or any of its affiliates, including Nuri, to proceed with the Offer and/or with taking up and paying for Common Shares deposited under the Offer or completing a Compulsory Acquisition or Subsequent Acquisition Transaction; or (iii) could, if the Offer or any Compulsory Acquisition or Subsequent Acquisition Transaction were consummated, be material and adverse to the Offeror or any of its affiliates, including Nuri, or which could limit, restrict or impose limitations or conditions on the ability of the Offeror or any of its affiliates, including Nuri, to own, operate or effect control over Apivio or any material portion of the business or assets of Apivio or its subsidiaries or material joint ventures or would compel the Offeror or any of its affiliates, including Nuri, to dispose of or hold separate any material portion of the business or assets of Apivio or its subsidiaries or material joint ventures;

“**MI 61-101**” means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, as amended or replaced from time to time;

“**Minimum Tender Condition**” has the meaning given to it in Section 4 of the Offer to Purchase, “Conditions of the Offer”;

“**Moimstone**” means Moimstone Co. Ltd., Apivio’s wholly-owned subsidiary existing under the Laws of the Republic of Korea;

“**NI 62-104**” means National Instrument 62-104 – *Take-Over Bids and Issuer Bids*, as amended or replaced from time to time;

“**No-Action Letter**” has the meaning given to it in Section 15 of the Circular, “Regulatory Matters”;

“**Non-Disclosure Agreement**” has the meaning given to it in Section 4 of the Circular, “Background to the Offer”;

“**Non-Resident Holder**” has the meaning given to it in Section 17 of the Circular, “Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada”;

“**Notice of Guaranteed Delivery**” means the notice of guaranteed delivery in the form accompanying the Offer (printed on PINK paper);

“**Notifiable Transaction**” has the meaning given to it in Section 15 of the Circular, “Regulatory Matters”;

“**Notification**” has the meaning given to it in Section 15 of the Circular, “Regulatory Matters”;

“**Nuri**” means, collectively, Nuri Telecom Company Limited and its affiliates;

“**Offer**” means the offer to purchase Common Shares made hereby to the Shareholders pursuant to the terms and subject to the conditions set out herein;

“**Offer to Purchase**” means the offer to purchase accompanying and forming part of the Offer;

“**Offer to Purchase and Circular**” means the Offer to Purchase and the Circular, including, without limitation, the Questions and Answers About the Offer and the Glossary;

“**Offeror**” means 1101324 B.C. Limited, a corporation incorporated under the BCA and a wholly-owned subsidiary of Nuri;

“**Offeror Group**” has the meaning given to it in Section 9 of the Circular, “Ownership and Trading in Securities of Apivio”;

“**Offeror’s Notice**” has the meaning given to it in Section 12 of the Circular, “Acquisition of Common Shares Not Deposited – Compulsory Acquisition”;

“**Optional Extension Period**” has the meaning given to it in Section 6 of the Offer to Purchase, “Take-up and Payment for Deposited Common Shares”;

“**Options**” means the options granted pursuant to the Stock Option Plan;

“**Ordinary Course**” means, with respect to an action taken by Apivio or any of its subsidiaries, that such action is consistent with past practices of Apivio and is taken in the ordinary course of the normal day-to-day operations of Apivio and its subsidiaries;

“**Participant**” means a participant in the depositary services of CDS and DTC, which include securities brokers and dealers, banks and trust companies;

“**Person**” includes an individual, a corporation, a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and an individual or other person in that person’s capacity as a trustee, executor, administrator or personal or other legal representative;

“**PFIC**” has the meaning given to it in Section 18 of the Circular, “Certain United States Federal Income Tax Considerations – Passive Foreign Investment Companies”;

“**Proposed Amendments**” has the meaning given to it in Section 17 of the Circular, “Certain Canadian Federal Income Tax Considerations”;

“**Purchased Securities**” has the meaning given to it in Section 3 of the Offer to Purchase, “Manner of Acceptance – Power of Attorney”;

“**Regulatory Authority**” means:

- (a) any multinational or supranational body or organization, nation, government, state, province, country, territory, municipality, quasi-government, administrative, judicial or regulatory authority, agency, board, body, bureau, commission, instrumentality, court or tribunal or any political subdivision thereof, or any central bank (or similar monetary or regulatory authority) or taxing authority thereof, or any ministry or department or agency of any of the foregoing;
- (b) any self-regulatory organization or stock exchange, including, without limitation, the TSXV;
- (c) any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government; and
- (d) any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of such entities or other bodies;

“**Resident Holder**” has the meaning given to it in Section 17 of the Circular, “Certain Canadian Federal Income Tax Considerations” and “Holders Resident in Canada”;

“**Securities Act**” means the *Securities Act* (British Columbia), as amended from time to time;

“**Securities Regulatory Authorities**” means the TSXV and the applicable securities commission or similar regulatory authorities in each of the provinces and territories of Canada;

“**SEDAR**” means the Canadian Securities Administrators’ System for Electronic Document Analysis and Retrieval website at [www.sedar.com](http://www.sedar.com);

“**Shareholders**” means, collectively, the holders of Common Shares, and “**Shareholder**” means any one holder of Common Shares;

“**Soliciting Dealer**” has the meaning given to it in Section 20 of the Circular, “Financial Advisor and Soliciting Dealer Group”;

“**Soliciting Dealer Group**” has the meaning given to it in Section 20 of the Circular, “Financial Advisor and Soliciting Dealer Group”;

“**Statutory Minimum Condition**” has the meaning given to it in Section 4 of the Offer to Purchase, “Conditions of the Offer”;

“**Stock Option Plan**” means Apivio’s stock option plan as approved by the Shareholders at the annual general meeting of Apivio on June 27, 2014, as amended from time to time;

“**Subsequent Acquisition Transaction**” has the meaning given to it in Section 12 of the Circular, “Acquisition of Common Shares Not Deposited – Subsequent Acquisition Transaction”;

“**subsidiary**” means, with respect to a Person, a Person that is controlled directly or indirectly by another Person, and includes a subsidiary of that subsidiary. For the purpose of the Offer to Purchase and Circular, a Person (the first Person) is deemed to control another Person (the second Person) if: (a) if the first Person or company, directly or indirectly, beneficially owns or exercises control or direction over securities of the second Person or company carrying votes which, if exercised, would entitle the first Person or company to elect a majority of the directors of the second Person or company, unless the first Person or company holds the voting securities only to secure an obligation; (b) if the second Person or company is a partnership, other than a limited partnership, and the first Person or company holds more than 50% of the interests of the partnership; or (c) if the second Person or company is a limited partnership and the general partner of the limited partnership is the first Person or company;

“**Supplementary Information Request**” has the meaning given to it in Section 15 of the Circular, “Regulatory Matters”;

“**take up**”, in reference to Common Shares, means to accept such Common Shares for payment by giving written notice of such acceptance to the Information Agent and Depositary and “take-up”, “taking up” and “taken up” have corresponding meanings;

“**taxable capital gain**” has the meaning given to it in Section 17 of the Circular, “Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada” and “Sale Pursuant to the Offer”;

“**Tax Act**” has the meaning given to it in Section 17 of the Circular, “Certain Canadian Federal Income Tax Considerations”;

“**TSXV**” means the TSX Venture Exchange;

“**US\$**” means United States dollars;

“**U.S. Exchange Act**” means the *Securities Exchange Act of 1934* (United States), as amended;

“**U.S. Shareholder**” has the meaning given to it in Section 18 of the Circular, “Certain United States Federal Income Tax Considerations”;

“**VoIP**” means voice over internet protocol; and

“**\$**” means Canadian dollars.

## **OFFER TO PURCHASE**

*The accompanying Circular, which is incorporated into and forms part of the Offer to Purchase, contains important information that should be read carefully before making a decision with respect to the Offer. Unless the context otherwise requires, terms used but not defined in the Offer to Purchase have the respective meanings given to them in the accompanying Glossary.*

January 17, 2017

**TO: THE HOLDERS OF COMMON SHARES OF APIVIO**

### **1. The Offer**

The Offeror hereby offers to purchase, on the terms and subject to the conditions contained in this Offer to Purchase, all of the issued and outstanding Common Shares (other than Common Shares owned by the Offeror or any of its affiliates) and any Common Shares that may become issued and outstanding after the date of the Offer but prior to the Expiry Time upon the exercise or exchange or conversion of Convertible Securities at a price of \$0.40 in cash per Common Share.

The Offer is being made only for Common Shares and is not being made for any Convertible Securities. Holders of Convertible Securities who wish to accept the Offer must, to the extent permitted by the terms of the security and applicable Law, exercise, exchange or convert such Convertible Securities in order to obtain certificate(s) representing Common Shares and deposit those Common Shares in accordance with the terms of the Offer. Any such exercise, exchange or conversion must be completed sufficiently in advance of the Expiry Time to ensure that the holder of such Convertible Securities will have the certificates representing the Common Shares received on such exercise, exchange or conversion available for deposit at or prior to the Expiry Time, or in sufficient time to comply with the procedures referred to under Section 3 of the Offer to Purchase, "Manner of Acceptance – Procedure for Guaranteed Delivery".

**The cash consideration under the Offer represents a 51% premium based on the closing price of the Common Shares on the TSXV on January 16, 2017 (the last trading day prior to the public announcement by Nuri of its Offer to the Shareholders to acquire Apivio). The Offer also represents a premium of 49% to the volume weighted average trading price of the Common Shares on the TSXV over the 30 trading days ended on January 16, 2017.**

The obligation of the Offeror to take up and pay for Common Shares pursuant to the Offer is subject to certain conditions. See Section 4 of the Offer to Purchase, "Conditions of the Offer".

All amounts payable under the Offer will be paid in Canadian dollars.

Shareholders should contact the Information Agent and Depositary, or a broker or dealer for assistance in accepting the Offer and in depositing Common Shares with the Information Agent and Depositary. The Information Agent and Depositary, Laurel Hill, can be contacted by telephone at 1-877-452-7184 (North American Toll Free Number) or +1-416-304-0211 (outside North America) or by email at [assistance@laurelhill.com](mailto:assistance@laurelhill.com). To keep current with further developments and information about the Offer, visit [www.ApivioOffer.com](http://www.ApivioOffer.com).

Shareholders will not be required to pay any fee or commission if they accept the Offer by depositing their Common Shares directly with the Information Agent and Depositary or if they make use of the services of a Soliciting Dealer to accept the Offer. However, a broker or other nominee that is not a Soliciting Dealer and through whom a Shareholder owns Common Shares may charge a fee to tender any such Common Shares on behalf of the Shareholder. Shareholders should consult their investment advisors, stock brokers or other intermediary to determine whether any charges will apply.

**Shareholders whose Common Shares are registered in the name of an investment dealer, bank, trust company or other intermediary should immediately contact that intermediary for assistance if they wish to accept the Offer, in order to take the necessary steps to be able to deposit such Common Shares under the**

**Offer. Intermediaries may have established tendering cut-off times that are up to 48 hours prior to the Expiry Time. Shareholders must instruct their brokers or other intermediaries promptly if they wish to tender.**

This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, nor will deposits be accepted from or on behalf of, Shareholders in any jurisdiction in which the making or acceptance of the Offer would not be in compliance with the Laws of such jurisdiction. However, the Offeror may, in its sole discretion, take such action as it may deem necessary to extend the Offer to Shareholders in any such jurisdiction.

## **2. Time for Acceptance**

The Offer is open for acceptance from the date of the Offer until 11:59 p.m. (Toronto Time) on May 2, 2017, or such earlier or later time or times and date or dates as may be fixed by the Offeror from time to time pursuant to Section 5 of the Offer to Purchase, "Extension, Variation or Change in the Offer", unless the Offer is withdrawn by the Offeror. The Offeror will not amend the Offer to cause the Expiry Time to occur earlier than 35 days following the date of the Offer. If the Statutory Minimum Condition is satisfied and the other conditions to the Offer are satisfied or waived at the expiry of the initial deposit period such that the Offeror takes up the Common Shares deposited under the Offer, the Offeror will make a public announcement of the foregoing matters and extend the period during which Common Shares may be deposited and tendered to the Offer for a period of not less than ten days after the date of such announcement. See Section 5 of the Offer to Purchase, "Extension, Variation or Change in the Offer".

## **3. Manner of Acceptance**

### *Letter of Transmittal*

The Offer may be accepted by delivering to the Information Agent and Depository at its office specified in the Letter of Transmittal (printed on YELLOW paper) accompanying the Offer, so as to be received at or prior to the Expiry Time:

- (a) the certificate(s) representing the Common Shares in respect of which the Offer is being accepted;
- (b) a Letter of Transmittal in the form accompanying the Offer, properly completed and executed in accordance with the instructions set out in the Letter of Transmittal (including a signature guarantee if required); and
- (c) all other documents required by the terms of the Offer and the Letter of Transmittal.

Participants in CDS or DTC should contact the Information Agent and Depository with respect to the deposit of their Common Shares under the Offer. The Offeror understands that CDS and DTC will be issuing instructions to their Participants as to the method of depositing such Common Shares under the terms of the Offer.

Shareholders will not be required to pay any fee or commission if they accept the Offer by depositing their Common Shares directly with the Information Agent and Depository or if they make use of the services of a Soliciting Dealer to accept the Offer. However, a broker or other nominee that is not a Soliciting Dealer and through whom a Shareholder owns Common Shares may charge a fee to tender any such Common Shares on behalf of the Shareholder. Shareholders should consult their investment advisors, stock brokers or other intermediary to determine whether any charges will apply.

The signature on the Letter of Transmittal must be guaranteed by an Eligible Institution or in some other manner acceptable to the Information Agent and Depository (except that no guarantee is required for the signature of a depositing Shareholder which is an Eligible Institution) if the Letter of Transmittal is executed by a person other than the registered holder(s) of the certificate(s) deposited herewith, or if the cheque(s) is (are) to be issued or delivered to a person other than the registered holder(s), or if the certificate(s) representing Common Shares in respect of which the Offer is not being accepted is (are) to be returned to a person other than such registered holder(s) or sent to an address other than the address of the registered holder(s) shown on the securities register maintained by or on behalf of Apivio. If a Letter of Transmittal is executed by a person other than the registered holder of the Common Shares represented by the certificate(s) deposited therewith, then the certificate(s) must be

endorsed or be accompanied by an appropriate share transfer power of attorney duly and properly completed by the registered holder, with the signature on the endorsement panel or share transfer power of attorney guaranteed by an Eligible Institution.

The Offer will be deemed to be accepted only if the Information Agent and Depositary has actually received these documents at its office specified in the Letter of Transmittal at or prior to the Expiry Time. Alternatively, Common Shares may be deposited under the Offer in compliance with the procedures for guaranteed delivery set out below under the heading “Procedure for Guaranteed Delivery” or in compliance with the procedures for book-entry transfers set out below under the heading “Acceptance by Book-Entry Transfer” of this Section 3.

### *Procedure for Guaranteed Delivery*

If a Shareholder wishes to deposit Common Shares pursuant to the Offer and: (i) the certificate(s) representing such Common Shares is (are) not immediately available; (ii) the Shareholder cannot complete the procedure for book-entry transfer of the Common Shares on a timely basis; or (iii) the certificate(s) and all other required documents cannot be delivered to the Information Agent and Depositary at or prior to the Expiry Time, such Common Shares may nevertheless be deposited under the Offer provided that all of the following conditions are met:

- (a) the deposit is made by or through an Eligible Institution;
- (b) a properly completed and executed Notice of Guaranteed Delivery (printed on PINK paper) in the form accompanying the Offer, or a manually executed facsimile thereof, including the guarantee of delivery by an Eligible Institution in the form set out in the Notice of Guaranteed Delivery, is received by the Information Agent and Depositary at its office specified in the Notice of Guaranteed Delivery at or prior to the Expiry Time; and
- (c) the certificate(s) representing all Deposited Common Shares, in proper form for transfer together with a Letter of Transmittal, or a manually executed facsimile thereof, properly completed and duly executed as required by the instructions set out in the Letter of Transmittal (including a signature guarantee if required), or, in the case of a book-entry transfer, a Book-Entry Confirmation with respect to such Deposited Common Shares and, in the case of DTC accounts, a Letter of Transmittal, or a manually executed facsimile thereof, properly completed and duly executed (including a signature guarantee, if required), or an Agent’s Message in lieu of a Letter of Transmittal, and all other documents required by the terms of the Offer and the Letter of Transmittal, are received by the Information Agent and Depositary at its office specified in the Letter of Transmittal prior to 11:59 p.m. (Toronto Time) on the third trading day on the TSXV after the Expiry Time.

Shareholders through their respective CDS Participants, who utilize CDSX through a book-entry transfer (see Acceptance by Book-Entry Transfer below), of their holdings into the Information Agent and Depositary’s account with CDS may also have the option of tendering the Notice of Guaranteed Delivery through CDSX Online Letter of Guarantee (LOG) option (the “**LOG option**”). Participants tendering through LOG options in CDSX are deemed to have completed the Notice of Guaranteed Delivery and such instructions are considered valid with the terms of the Offer.

If the securities are not available in Participants’ account, by the third trading day on the TSXV after the Expiry Time or as specified on the LOG option, Participants may be liable for failure of delivery for the value of the full tender or parts thereof.

**The Notice of Guaranteed Delivery must be delivered by LOG option, hand or courier or transmitted by facsimile or mailed to the Information Agent and Depositary at its office specified in the Notice of Guaranteed Delivery at or prior to the Expiry Time and must include a guarantee by an Eligible Institution in the form set out in the Notice of Guaranteed Delivery. Delivery of the Notice of Guaranteed Delivery and the Letter of Transmittal and accompanying certificate(s) representing Common Shares and all other required documents to an address or transmission by facsimile to a facsimile number other than those specified in the Notice of Guaranteed Delivery does not constitute delivery for purposes of satisfying a guaranteed delivery.**

### ***Acceptance by Book-Entry Transfer***

Shareholders may accept the Offer by following the procedures for a book-entry transfer established by CDS, provided that a Book-Entry Confirmation through CDSX is received by the Information Agent and Depositary at its office specified in the Letter of Transmittal at or prior to the Expiry Time. The Information Agent and Depositary has established an account at CDS for the purpose of the Offer. Any financial institution that is a Participant in CDS may cause CDS to make a book-entry transfer of a Shareholder's Common Shares into the Information Agent and Depositary's account in accordance with CDS procedures for such transfer. Delivery of Common Shares to the Information Agent and Depositary by means of a book-entry transfer will constitute a valid deposit of such Common Shares under the Offer.

Shareholders, through their respective CDS Participants, who utilize CDSX to accept the Offer through a book-entry transfer of their holdings into the Information Agent and Depositary's account with CDS shall be deemed to have completed and submitted a Letter of Transmittal and to be bound by the terms thereof and therefore such instructions received by the Information Agent and Depositary are considered a valid deposit under and in accordance with the terms of the Offer.

Shareholders may also accept the Offer by following the procedures for book-entry transfer established by DTC, provided that a Book-Entry Confirmation, together with an Agent's Message in respect thereof or a properly completed and executed Letter of Transmittal, or manually executed facsimile thereof (including a signature guarantee if required), and all other required documents, are received by the Information Agent and Depositary at its office specified in the Letter of Transmittal at or prior to the Expiry Time. The Information Agent and Depositary has established an account at DTC for the purpose of the Offer. Any financial institution that is a Participant in DTC may cause DTC to make a book-entry transfer of a Shareholder's Common Shares into the Information Agent and Depositary's account in accordance with DTC's procedures for such transfer. However, although delivery of Common Shares may be effected through book-entry transfer at DTC, either an Agent's Message in respect thereof, or a Letter of Transmittal (or a manually executed facsimile thereof), properly completed and executed (including a signature guarantee if required), and all other required documents, must, in any case, be received by the Information Agent and Depositary, at its office at or prior to the Expiry Time. Delivery of documents to DTC in accordance with its procedures does not constitute delivery to the Information Agent and Depositary. Shareholders participating in the Offer through the procedure for book-entry transfer established by DTC must make sure such documents or Agent's Message are received by the Information Agent and Depositary at or prior to the Expiry Time.

The term "Agent's Message" means a message, transmitted by DTC to, and received by, the Information Agent and Depositary and forming part of a Book-Entry Confirmation, which states that DTC has received an express acknowledgement from the Participant in DTC depositing the Common Shares which are the subject of such Book-Entry Confirmation that such Participant has received and agrees to be bound by the terms of the Letter of Transmittal as if executed by such Participant and that the Offeror may enforce such agreement against such Participant.

### ***Lost Certificates***

If a Shareholder has lost his/her/its Common Share certificate(s), but wishes to tender his/her/its Common Shares to the Offer, such Shareholder should complete the Letter of Transmittal to the extent possible and deliver it together with a letter describing the circumstances surrounding the loss to the Information Agent and Depositary. The Information Agent and Depositary will forward such letter to the transfer agent for the Common Shares and such transfer agent will advise the Shareholder of the steps that the Shareholder must take to obtain a replacement certificate for his/her/its Common Shares. The foregoing action must be taken sufficiently in advance of the Expiry Time in order to obtain a replacement certificate in sufficient time to permit the Common Shares represented by the replacement certificate to be deposited under the Offer at or prior to the Expiry Time.

### ***General***

The Offer will be deemed to be accepted by a Shareholder only if the Information Agent and Depositary has actually received the requisite documents at its office specified in the Letter of Transmittal at or prior to the Expiry Time. In all cases, payment for Common Shares deposited and taken up by the Offeror will be made only after timely receipt by the Information Agent and Depositary of: (i) the certificate(s) representing the Common Shares (or, in the case of a book-entry transfer to the Information Agent and Depositary, a Book-Entry Confirmation for the Common

Shares); (ii) a Letter of Transmittal, properly completed and duly executed, covering those Common Shares with the signatures guaranteed, if required, in accordance with the instructions set out in the Letter of Transmittal, or in the case of Common Shares deposited by book-entry transfer, a Book-Entry Confirmation and, in the case of DTC accounts, a Letter of Transmittal, properly completed and duly executed, together with any required signature guarantees, or an Agent's Message in respect thereof; and (iii) all other documents required by the Letter of Transmittal before 5:00 p.m. (Toronto Time) on the third trading day on the TSXV after the Expiry Time.

**The method of delivery of certificates representing Common Shares, the Letter of Transmittal, the Notice of Guaranteed Delivery and all other required documents is at the option and risk of the person depositing such documents. The Offeror recommends that all such documents be delivered by hand to the Information Agent and Depositary and a receipt be obtained or, if mailed, that registered mail, with return receipt requested, be used and that proper insurance be obtained. It is suggested that any such mailing be made sufficiently in advance of the Expiry Time to permit delivery to the Information Agent and Depositary at or prior to the Expiry Time. Delivery will only be effective upon actual physical receipt by the Information Agent and Depositary.**

All questions as to the validity, form, eligibility (including, without limitation, timely receipt) and acceptance of any Common Shares deposited pursuant to the Offer will be determined by the Offeror in its sole discretion. Depositing Shareholders agree that such determination shall be final and binding. The Offeror reserves the absolute right to reject any and all deposits which it determines not to be in proper form or which may be unlawful to accept under the Laws of any applicable jurisdiction. The Offeror reserves the absolute right to waive any defects or irregularities in any deposit of any Common Shares. There shall be no duty or obligation on the Offeror, the Information Agent and Depositary, or any other person to give notice of any defects or irregularities in any deposit and no liability shall be incurred by any of them for failure to give any such notice. The Offeror's interpretation of the terms and conditions of the Offer, the Circular, the Letter of Transmittal, the Notice of Guaranteed Delivery and any other related documents will be final and binding.

The Offeror reserves the right to permit the Offer to be accepted in a manner other than that set out in this Section 3.

Under no circumstances will interest accrue or any amount be paid by the Offeror or the Information Agent and Depositary to persons depositing Common Shares by reason of any delay in making payments for Common Shares to any person on account of Common Shares accepted for payment under the Offer.

**Shareholders will not be required to pay any fee or commission if they accept the Offer by depositing their Common Shares directly with the Information Agent and Depositary or if they make use of the services of a Soliciting Dealer to accept the Offer.**

**Shareholders whose Common Shares are registered in the name of an investment dealer, bank, trust company or other intermediary should immediately contact that intermediary for assistance in depositing their Common Shares if they wish to accept the Offer, in order to take the necessary steps to be able to deposit such Common Shares under the Offer. Intermediaries may have established tendering cut-off times that are up to 48 hours prior to the Expiry Time. Shareholders must instruct their brokers or other intermediaries promptly if they wish to tender.**

**Shareholders should contact the Information Agent and Depositary, or a broker or dealer for assistance in accepting the Offer and in depositing Common Shares with the Information Agent and Depositary.**

#### ***Dividends and Distributions***

Subject to the terms and conditions of the Offer and subject, in particular, to Common Shares being validly withdrawn by or on behalf of a depositing Shareholder, and except as provided below, by accepting the Offer pursuant to the procedures set out herein, a Shareholder surrenders all rights and benefits arising from such Deposited Common Shares including, without limitation, the benefit of any and all dividends, distributions, payments, securities, property or other interests that may be declared, paid, accrued, issued, distributed, made or transferred on or in respect of the Deposited Common Shares or any of them on and after the date of the Offer, including, without limitation, any dividends, distributions or payments on such dividends, distributions, payments, securities, property or other interests (collectively, "**Distributions**").

### *Power of Attorney*

The execution of a Letter of Transmittal (or, in the case of Common Shares deposited by book-entry transfer by the making of a book-entry transfer) irrevocably constitutes and appoints, effective at and after the time (the “**Effective Time**”) that the Offeror takes up the Deposited Common Shares, each director and officer of the Offeror, and any other person designated by the Offeror in writing, as the true and lawful agent, attorney, attorney-in-fact and proxy of the holder of the Deposited Common Shares (which Deposited Common Shares upon being taken up are, together with any Distributions thereon, hereinafter referred to as the “**Purchased Securities**”) with respect to such Purchased Securities, with full power of substitution (such powers of attorney, being coupled with an interest, being irrevocable), in the name of and on behalf of such Shareholder:

- (a) to register or record the transfer and/or cancellation of such Purchased Securities, to the extent consisting of securities, on the appropriate securities registers maintained by or on behalf of Apivio;
- (b) for so long as any such Purchased Securities are registered or recorded in the name of such Shareholder, to exercise any and all rights of such Shareholder including, without limitation, the right to vote, to execute and deliver (provided the same is not contrary to applicable Law), as and when requested by the Offeror, any and all instruments of proxy, authorizations or consents in form and on terms satisfactory to the Offeror in respect of any or all Purchased Securities, to revoke any such instruments, authorizations or consents given prior to or after the Effective Time, and to designate in any such instruments, authorizations or consents any person or persons as the proxyholder of such Shareholder in respect of such Purchased Securities for all purposes including, without limitation, in connection with any meeting or meetings (whether annual, special or otherwise, or any adjournments thereof, including, without limitation, any meeting to consider a Subsequent Acquisition Transaction) of holders of relevant securities of Apivio;
- (c) to execute, endorse and negotiate, for and in the name of and on behalf of such Shareholder, any and all cheques or other instruments representing any Distributions payable to or to the order of, or endorsed in favour of, such Shareholder; and
- (d) to exercise any other rights of a Shareholder with respect to such Purchased Securities, all as set out in the Letter of Transmittal.

A Shareholder accepting the Offer under the terms of the Letter of Transmittal (including by book-entry transfer) revokes any and all other authority, whether as agent, attorney-in-fact, attorney, proxy or otherwise, previously conferred or agreed to be conferred by the Shareholder at any time with respect to the Deposited Common Shares or any Distributions. Such depositing Shareholder agrees that no subsequent authority, whether as agent, attorney-in-fact, attorney, proxy or otherwise will be granted with respect to the Deposited Common Shares or any Distributions by or on behalf of the depositing Shareholder unless the Deposited Common Shares are not taken up and paid for under the Offer or are withdrawn in accordance with Section 7 of the Offer to Purchase, “Withdrawal of Deposited Common Shares”.

A Shareholder accepting the Offer under the terms of the Letter of Transmittal (including by book-entry transfer) also agrees not to vote any of the Purchased Securities at any meeting (whether annual, special or otherwise or any adjournments thereof, including, without limitation, any meeting to consider a Subsequent Acquisition Transaction) of holders of relevant securities of Apivio and, except as may otherwise be agreed with the Offeror, not to exercise any of the other rights or privileges attached to the Purchased Securities, and agrees to execute and deliver to the Offeror any and all instruments of proxy, authorizations or consents in respect of all or any of the Purchased Securities, and agrees to designate or appoint in any such instruments of proxy, authorizations or consents, the person or persons specified by the Offeror as the proxy or the proxy nominee or nominees of the holder of the Purchased Securities. Upon such appointment, all prior proxies and other authorizations (including, without limitation, all appointments of any agent, attorney or attorney-in-fact) or consents given by the holder of such Purchased Securities with respect thereto will be revoked and no subsequent proxies or other authorizations or consents may be given by such person with respect thereto.

### *Further Assurances*

A Shareholder accepting the Offer covenants under the terms of the Letter of Transmittal (including by book-entry transfer) to execute, upon request of the Offeror, any additional documents, transfers and other assurances as may be necessary or desirable to complete the sale, assignment and transfer of the Purchased Securities to the Offeror. Each authority therein conferred or agreed to be conferred is, to the extent permitted by applicable Law, irrevocable and may be exercised during any subsequent legal incapacity of such Shareholder and shall, to the extent permitted by applicable Law, survive the death or incapacity, bankruptcy or insolvency of the Shareholder and all obligations of the Shareholder therein shall be binding upon the heirs, executors, administrators, attorneys, personal representatives, successors and assigns of such Shareholder.

### *Formation of Agreement; Shareholder's Representations and Warranties*

The acceptance of the Offer pursuant to the procedures set out above constitutes a binding agreement between a depositing Shareholder and the Offeror, effective immediately following the time at which the Offeror takes up the Common Shares deposited by such Shareholder, in accordance with the terms and conditions of the Offer and the Letter of Transmittal. This agreement includes a representation and warranty by the depositing Shareholder that: (i) the person signing the Letter of Transmittal or on whose behalf a book-entry transfer is made has full power and authority to deposit, sell, assign and transfer the Deposited Common Shares and all rights and benefits arising from such Deposited Common Shares including, without limitation, any Distributions; (ii) the person signing the Letter of Transmittal or on whose behalf a book-entry transfer is made owns the Deposited Common Shares and any Distributions deposited under the Offer; (iii) the Deposited Common Shares and Distributions have not been sold, assigned or transferred, nor has any agreement been entered into to sell, assign or transfer any of the Deposited Common Shares or Distributions, to any other person; (iv) the deposit of the Deposited Common Shares and Distributions complies with applicable Law; and (v) when the Deposited Common Shares and Distributions are taken up and paid for by the Offeror, the Offeror will acquire good title thereto (and to any Distributions), free and clear of all security interests, liens, restrictions, charges, encumbrances, claims and rights of others.

## **4. Conditions of the Offer**

Notwithstanding any other provision of the Offer, but subject to applicable Law, and in addition to (and not in limitation of) the Offeror's right to vary or change the Offer at any time prior to the Expiry Time pursuant to Section 5 of the Offer to Purchase, "Extension, Variation or Change in the Offer", the Offeror will not take up, purchase or pay for, any Common Shares unless, at 11:59 p.m. (Toronto Time) on May 2, 2017 or such earlier or later time during which Common Shares may be deposited under the Offer, excluding the mandatory ten-day extension period or any extension thereafter, there shall have been validly deposited under the Offer and not withdrawn that number of Common Shares that constitutes more than 66⅔% of the outstanding Common Shares (calculated on a Fully-Diluted Basis) (the "**Minimum Tender Condition**"). In the event that the Minimum Tender Condition is not satisfied, the Offeror will have the right to withdraw or terminate the Offer or to extend the period of time during which the Offer is open for acceptance. Nonetheless, the Offeror reserves the right to waive or amend the Minimum Tender Condition but provided that the condition as waived or amended requires that more than 50% of the outstanding Common Shares, excluding Common Shares beneficially owned, or over which control or direction is exercised by the Offeror, or by any person acting jointly or in concert with the Offeror, have been deposited to the Offer and not withdrawn (the "**Statutory Minimum Condition**").

In addition, the Offeror will have the right to withdraw the Offer and not take up or pay for any Common Shares deposited under the Offer, unless all of the following additional conditions are satisfied or waived by the Offeror at or prior to 11:59 p.m. (Toronto Time) on May 2, 2017 or such earlier or later time during which Common Shares may be deposited under the Offer, excluding the mandatory ten-day extension period or any extension thereafter:

- (a) there shall have been validly deposited pursuant to the Offer and not withdrawn that number of Common Shares that constitutes the Minimum Tender Condition;
- (b) the Offeror shall have determined, in its sole discretion, that there does not exist and there shall not have occurred or been publicly disclosed since the date of the Offer, a Material Adverse Effect;

- (c) Apivio shall not have adopted or implemented a shareholder rights plan or taken any other action that provides rights to the Shareholders to purchase any securities of Apivio as a result of the Offer or any Compulsory Acquisition or Subsequent Acquisition Transaction;
- (d) all outstanding Convertible Securities shall have been exercised or cancelled on or prior to the Expiry Time on terms satisfactory to the Offeror;
- (e) all government or regulatory consents, authorizations, waivers, permits, reviews, orders, rulings, decisions, approvals or exemptions (including, without limitation, those of any stock exchange or other Securities Regulatory Authorities, the Competition Act or the ICA, as applicable) that are necessary or desirable, in the Offeror's sole discretion, to complete the Offer and the acquisition of Common Shares, and/or to complete a Compulsory Acquisition or Subsequent Acquisition Transaction, shall have been obtained or concluded on terms and conditions satisfactory to the Offeror in its sole discretion, and/or all regulatory notice, waiting or suspensory periods (including any extensions thereof) in respect of the foregoing shall have expired or been terminated or waived;
- (f) the Offeror shall have determined, in its sole discretion, that: (i) no act, action, suit or proceeding shall have been threatened, taken or commenced by or before, and no judgment or order shall have been issued by, any domestic or foreign elected or appointed public official or private person (including, without limitation, any individual, corporation, firm, group or other entity), any governmental agency or Regulatory Authority or administrative agency or commission in Canada, the United States or elsewhere, any domestic or foreign court, tribunal or other regulatory authority or any other person in any case, whether or not having the force of Law; and (ii) no Law shall have been proposed, enacted, promulgated, amended or applied, in either case: (A) to prevent or challenge the Offer or the Offeror's ability to maintain the Offer; (B) to cease trade, enjoin, prohibit or impose material limitations or conditions on or make materially more costly the making of the Offer, the purchase by or the sale to the Offeror of the Common Shares, the right of the Offeror to own or exercise full rights of ownership over the Common Shares, or the consummation of any Compulsory Acquisition or Subsequent Acquisition Transaction or which could have any such effect; (C) which has had or could have a Material Adverse Effect; (D) which seeks to compel the Offeror or any of its affiliates, including Nuri, to dispose of or hold separate any material portion of the business, properties or assets of Apivio or any of its subsidiaries; or (E) which may make uncertain the ability of the Offeror or any of its affiliates, including Nuri, to complete the Offer, a Compulsory Acquisition or a Subsequent Acquisition Transaction;
- (g) the Offeror shall have determined, in its sole discretion, that neither Apivio nor any of its subsidiaries has taken any action, agreed to take any action, disclosed that it intends to take any action or disclosed any previously undisclosed action taken by any of them, that might make it inadvisable for the Offeror to proceed with the Offer, to take up and pay for Common Shares deposited under the Offer or complete any Compulsory Acquisition or Subsequent Acquisition Transaction including, without limitation: (i) any purchase, licence, lease or acquisition of an interest in assets other than in the Ordinary Course; (ii) any sale, licence, lease, pledge or disposition of an interest in assets other than sales from operations in the Ordinary Course; (iii) any amendment to their respective notice of articles, articles or by-laws, as the case may be; (iv) any material capital expenditures, except material capital expenditures in respect of which Apivio or any of its subsidiaries have entered into legally binding agreements to incur in the Ordinary Course prior to January 17, 2017; (v) any incurrence of debt or of hedge or similar obligations, other than in the Ordinary Course; (vi) except as may be required by Law, the adoption, establishment or entering into of any new, or material amendment to any existing, employment, change in control, severance, compensation, benefit or similar agreement, arrangement or plan with or for one or more of Apivio's employees, consultants or directors (other than the entering into of employment agreements with new employees after January 17, 2017 who are not directors, officers or family members of directors or officers, if made in the Ordinary Course), the making of grants or awards pursuant to any agreements, arrangements or plans to provide for increased benefits to one or more employees, consultants or directors of Apivio (other than the making of any grants or awards to the extent required to be made pursuant to any agreement in effect prior to

January 17, 2017) or making any payment or otherwise altering the terms of any outstanding awards (including, without limitation, Convertible Securities) to provide for a payment or other entitlement that represents a material increase from that disclosed in Apivio's public filings or a material deviation from the past practice of Apivio; (vii) any release, relinquishment or impairment of, or any threat to, any material contractual rights, leases, licences or other statutory rights; (viii) any guarantee of the payment of any material amount of indebtedness of a third party; (ix) any declaration, payment, authorization of any dividend, distribution or payment of or on any of its securities, other than interest payments on Apivio's outstanding indebtedness in the Ordinary Course; (x) any change to the capitalization of Apivio or any of its subsidiaries, including, without limitation, any issuance, authorization, adoption or proposal regarding the issuance of, or purchase, or proposal to purchase, any Common Shares or Convertible Securities other than pursuant to the exercise of Convertible Securities issued prior to January 17, 2017; (xi) any take-over bid or tender offer (including, without limitation, an issuer bid or self-tender offer) or exchange offer, merger, amalgamation, plan of arrangement, reorganization, consolidation, business combination, reverse take-over, sale of substantially all of its assets, sale of securities, recapitalization, liquidation, dissolution, winding up or similar transaction involving Apivio or any of its subsidiaries; (xii) any material joint venture, other mutual co-operation agreement or distribution agreement; or (xiii) any action or inaction that would have the effect of reducing or eliminating the amount of the tax cost "bump" pursuant to subparagraphs 88(1)(c) and (d) of the Tax Act otherwise available to the Offeror and its successors and assigns in respect of the non-depreciable capital properties owned by Apivio and its subsidiaries;

- (h) the Offeror shall have determined, in its sole discretion, that no covenant, term or condition (individually or in the aggregate) exists in any material licence, permit, franchise, instrument or agreement to which Apivio or any of its subsidiaries is a party or to which it or any of its assets are subject (including without limitation, in respect of Convertible Securities, the Stock Option Plan or any other incentive or similar plan of Apivio) which, if the Offer, a Compulsory Acquisition or a Subsequent Acquisition Transaction were consummated, might: (i) be impaired or otherwise adversely affected, or cause any obligation to vest or accelerate or become due prior to its stated due date (in each case, either immediately, or after notice or passage of time or both) that might materially reduce the value to it of Apivio or the Common Shares or might have a Material Adverse Effect; (ii) result in any material liability or obligation of the Offeror or any of its affiliates, including Nuri; (iii) result in any breach or default under or cause the suspension or termination of, or give rise to any right of any party to suspend or terminate, any such licence, permit, franchise, instrument or agreement or any material right or benefit thereunder of Apivio; (iv) limit any material right or benefit of Apivio under, or reduce the value, in any material respect, of any such licence, permit, franchise, instrument or agreement; or (v) adversely impact or could adversely impact the ability of the Offeror to acquire, redeem or defease any Convertible Securities that have not been converted into, exchanged for or otherwise become Common Shares at the Expiry Time or, to complete the Offer and the acquisition of the Common Shares, a Compulsory Acquisition or a Subsequent Acquisition Transaction;
- (i) the Offeror shall have determined, in its sole discretion, that there shall not have occurred or been threatened on or after the date of the Offer: (i) any general suspension of trading in, or limitation on prices for, securities on the TSXV; (ii) any extraordinary or material adverse change in the financial, banking or capital markets or in major stock exchange indices in Canada or the United States; (iii) a declaration of a banking moratorium or any suspension of payments in respect of banks in Canada or the United States; (iv) any limitation (whether or not mandatory) by any Regulatory Authority on, or other event that, in the reasonable judgment of the Offeror, might affect the extension of credit by banks or other financial institutions; (v) any material change in currency exchange rates or a suspension or limitation on the markets therefor; (vi) a commencement of war or armed hostilities or other national or international calamity involving Canada or the United States; or (vii) in the case of any of the foregoing existing at the time of the commencement of the Offer, a material acceleration or worsening thereof;
- (j) neither the Offeror nor any of its affiliates shall have entered into a definitive agreement or an agreement in principle with Apivio providing for a plan of arrangement, amalgamation, merger,

acquisition of assets or other business combination with Apivio or for the acquisition of securities of Apivio or for the commencement of a new offer for the Common Shares, pursuant to which the Offeror has determined that the Offer will be terminated; and

- (k) the Offeror shall not have become aware of any untrue statement of material fact, or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made and at the date it was made (after giving effect to all subsequent filings prior to the date of the Offer in relation to all matters covered in earlier filings), in any document filed by or on behalf of Apivio with any Securities Regulatory Authority or elsewhere, which the Offeror shall have determined, in its sole discretion, when considered either individually or in the aggregate, has or could reasonably be expected to have a Material Adverse Effect.

The foregoing conditions are for the exclusive benefit of the Offeror. The Offeror may assert any of the foregoing conditions at any time, regardless of the circumstances giving rise to such assertion (including, without limitation, any action or inaction by the Offeror giving rise to any such assertions). In all cases, when exercising its sole discretion, the Offeror intends to act reasonably. The Offeror may waive any of the foregoing conditions in its sole discretion, in whole or in part, at any time and from time to time, both before and after the Expiry Time, without prejudice to any other rights which the Offeror may have. Each of the foregoing conditions is independent of and in addition to each other of such conditions and may be asserted irrespective of whether any other of such conditions may be asserted in connection with any particular event, occurrence or state of facts or otherwise. The failure by the Offeror at any time to exercise or assert any of the foregoing rights shall not be deemed to constitute a waiver of any such right; the waiver of any such right with respect to particular facts or circumstances shall not be deemed to constitute a waiver with respect to any other facts or circumstances, and each such right shall be deemed an ongoing right which may be asserted at any time and from time to time by the Offeror. Any determination by the Offeror concerning any event or other matter described in the foregoing conditions will be final and binding upon all parties.

Any waiver of a condition or the withdrawal of the Offer shall be effective upon written notice or other communication, confirmed in writing by the Offeror to that effect, to the Information Agent and Depositary at its principal office at 70 University Avenue, Suite 1440, Toronto, Ontario, M5J 2M4. The Offeror, promptly after giving any such notice, shall issue and file a press release announcing such waiver or withdrawal and shall cause the Information Agent and Depositary, if required by Law, as soon as practicable thereafter to notify the Shareholders thereof in the manner set forth in Section 10 of the Offer to Purchase, "Notices and Delivery", and shall provide a copy of the aforementioned notice to the TSXV. If the Offer is withdrawn, the Offeror shall not be obligated to take up or pay for any Common Shares deposited under the Offer and the Information Agent and Depositary will promptly return all certificates representing Deposited Common Shares, Letters of Transmittal, Notices of Guaranteed Delivery and related documents to the parties by whom they were deposited at the Offeror's expense. See Section 8 of the Offer to Purchase, "Return of Deposited Common Shares".

## **5. Extension, Variation or Change in the Offer**

The Offer is open for acceptance from the date of the Offer until the Expiry Time, subject to extension or variation in the Offeror's sole discretion or as set out below, unless the Offer is withdrawn by the Offeror. In addition, if the Offeror takes up any Common Shares under the Offer, the Offer will be extended and remain open for the deposit of Common Shares for not less than ten days from the date on which Common Shares are first taken up.

Subject to the limitations set out below, the Offeror reserves the right, in its sole discretion, at any time and from time to time while the Offer is open for acceptance (or at any other time if permitted by applicable Law) to vary the terms of the Offer (including, without limitation, by extending or abridging the period during which Common Shares may be deposited under the Offer where permitted by Law).

Under applicable Law, the Offeror is required to allow Common Shares to be deposited under the Offer for an initial deposit period of at least 105 days. The initial deposit period under the Offer may be shortened in the following circumstances, subject to a minimum deposit period of at least 35 days from the date of the Offer: (i) if Apivio issues a deposit period news release in respect of either the Offer or another offeror's take-over bid that is less than 105 days, the Offeror may vary the terms of the Offer to shorten the initial deposit period to at least the number of days from the date of the Offer as stated in such deposit period news release; or (ii) if Apivio issues a news release

announcing that it has agreed to enter into, or determined to effect, an Alternative Transaction, the Offeror may vary the terms of the Offer to shorten the initial deposit period to at least 35 days from the date of the Offer. In either case, the Offeror intends to vary the terms of the Offer by shortening the initial deposit period to the shortest possible period consistent with applicable Law.

If, before the Expiry Time or after the Expiry Time but before the expiry of all rights of withdrawal with respect to the Offer, the terms of the Offer are varied (other than a variation in the terms of the Offer consisting solely of the waiver of a condition in the Offer and any extension of the Offer, other than an extension in respect of the mandatory ten-day extension period, resulting from the waiver), including any reduction of the period during which securities may be deposited under the Offer pursuant to applicable Law, or any extension of the period during which securities may be deposited under the bid pursuant to applicable Law, and whether or not that variation results from the exercise of any right contained in the Offer, the Offeror will promptly: (i) issue and file a news release to the extent and in the manner required by applicable Law; and (ii) send a notice of variation in the manner set out in Section 10 of the Offer to Purchase, “Notices and Delivery”, to every person to whom the Offer is required to be sent under applicable Law and whose Common Shares were not taken up before the date of the variation. If there is a notice of variation, the period during which Common Shares may be deposited under the Offer must not expire before ten days after the date of the notice of variation. If the Offeror is required to send a notice of variation before the expiry of the initial deposit period, the initial deposit period for the Offer must not expire before ten days after the date of the notice of variation, and the Offeror must not take up Common Shares deposited under the Offer before ten days after the date of the notice of variation. In addition, the Offeror will file a copy of such notice and will provide a copy of such notice in the manner required by applicable Law as soon as practicable thereafter to Apivio, the TSXV and the Securities Regulatory Authorities, as applicable. Any notice of variation of the Offer will be deemed to have been given and to be effective on the day on which it is delivered or otherwise communicated to the Information Agent and Depository at its principal office at 70 University Avenue, Suite 1440, Toronto, Ontario, M5J 2M4. If the variation consists solely of a waiver of a condition, the Offeror will promptly issue and file a news release announcing the waiver.

If, before the Expiry Time or after the Expiry Time but before the expiry of all rights of withdrawal with respect to the Offer, a change occurs in the information contained in the Offer to Purchase or the Circular or any notice of change or notice of variation that would reasonably be expected to affect the decision of a Shareholder to accept or reject the Offer (other than a change that is not within the control of the Offeror or of an affiliate of the Offeror), the Offeror will promptly: (i) issue and file a news release of such change to the extent and in the manner required by applicable Law; and (ii) send a notice of the change in the manner set out in Section 10 of the Offer to Purchase, “Notices and Delivery”, to every person to whom the Offer was required to be sent and whose Common Shares were not taken up before the date of the change. If the Offeror is required to send a notice of change before the expiry of the initial deposit period, the initial deposit period for the Offer must not expire before ten days after the date of the notice of change, and the Offeror must not take up Common Shares deposited under the Offer before ten days after the date of the notice of change. In addition, the Offeror will file a copy of such notice and will provide a copy of such notice in the manner required by applicable Law as soon as practicable thereafter to Apivio, the TSXV and the Securities Regulatory Authorities, as applicable. Any notice of change in information will be deemed to have been given and to be effective on the day on which it is delivered or otherwise communicated to the Information Agent and Depository at its principal office at 70 University Avenue, Suite 1440, Toronto, Ontario, M5J 2M4.

During any extension or in the event of any variation of the Offer or change in information, all Common Shares previously deposited and not taken up or withdrawn will remain subject to the Offer and may be taken up by the Offeror in accordance with the terms hereof. An extension of the Expiry Time, a variation of the Offer or a change in information does not, unless otherwise expressly stated, constitute a waiver by the Offeror of its rights under Section 4 of the Offer to Purchase, “Conditions of the Offer”.

Notwithstanding the foregoing, but subject to applicable Law, the Offeror may not make a variation in the terms of the Offer, other than a variation to extend the time during which Common Shares may be deposited under the Offer or a variation to increase the consideration for the Common Shares, after the Offeror becomes obligated to take up Common Shares deposited under the Offer. If the consideration being offered for the Common Shares under the Offer is increased, the increased consideration will be paid to all depositing Shareholders whose Common Shares are taken up under the Offer, whether or not such Common Shares were taken up before the increase.

## 6. Take-Up of and Payment for Deposited Common Shares

If, at the expiry of the initial deposit period, the Statutory Minimum Condition has been satisfied and all of the other conditions described in Section 4 of the Offer to Purchase, “Conditions of the Offer” have been satisfied or waived by the Offeror, the Offeror will immediately take up the Common Shares validly deposited under the Offer and not withdrawn. The Offeror will pay for Common Shares taken up under the Offer as soon as possible but in any event not later than three business days after the Common Shares are taken up. In accordance with applicable Law, if the Offeror is obligated to take up such Common Shares, the Offeror will extend the period during which Common Shares may be deposited under the Offer for an additional period of at least ten days following the expiry of the initial deposit period (the “**mandatory ten-day extension period**”) and may extend the deposit period after expiration of the mandatory ten-day extension period (“**Optional Extension Period**”). The Offeror will take up and pay for Common Shares deposited under the Offer during the mandatory ten-day extension period and any Optional Extension Period not later than ten days after such deposit.

The Offeror will be deemed to have taken up and accepted for payment Common Shares validly deposited and not withdrawn under the Offer if, as and when the Offeror gives written notice, or other communication confirmed in writing, to the Information Agent and Depositary at its principal office at 70 University Avenue, Suite 1440, Toronto, Ontario, M5J 2M4 to that effect. Subject to applicable Law, the Offeror expressly reserves the right, in its sole discretion to, on, or after the Expiry Time, terminate or withdraw the Offer and not take up or pay for any Common Shares if any condition specified in Section 4 of the Offer to Purchase, “Conditions of the Offer”, is not satisfied or waived, by giving written notice thereof, or other communication confirmed in writing, to the Information Agent and Depositary at its principal office. The Offeror will not, however, take up and pay for any Common Shares deposited under the Offer unless it simultaneously takes up and pays for all Common Shares then validly deposited under the Offer and not withdrawn.

The Offeror will pay for Common Shares validly deposited under the Offer and not withdrawn by providing the Information Agent and Depositary with sufficient funds (by bank transfer or other means satisfactory to the Information Agent and Depositary) for transmittal to depositing Shareholders. Under no circumstances will interest accrue or be paid by the Offeror or the Information Agent and Depositary to persons depositing Common Shares on the purchase price of Common Shares purchased by the Offeror, regardless of any delay in making payments for Common Shares.

The Information Agent and Depositary will act as the agent of persons who have deposited Common Shares in acceptance of the Offer for the purposes of receiving payment from the Offeror and transmitting such payment to such persons, and receipt of payment by the Information Agent and Depositary will be deemed to constitute receipt of payment by persons depositing Common Shares under the Offer.

All cash payments under the Offer will be made in Canadian dollars.

Settlement with each Shareholder who has deposited (and not withdrawn) Common Shares under the Offer will be made by the Information Agent and Depositary issuing or causing to be issued a cheque (except for payments in excess of \$25 million, which will be made by wire transfer, as set out in the Letter of Transmittal) payable in Canadian dollars in the amount to which the person depositing Common Shares is entitled. Unless otherwise directed by the Letter of Transmittal, the cheque or certificates will be issued in the name of the registered holder of the Common Shares so deposited. Unless the person depositing the Common Shares instructs the Information Agent and Depositary to hold the cheque or certificates for pick-up by checking the appropriate box in the Letter of Transmittal, the cheque or certificates will be forwarded by first class mail to such person at the address specified in the Letter of Transmittal. If no such address is specified, the cheque or certificates will be sent to the address of the registered holder as shown on the securities register maintained by or on behalf of Apivio. Cheques mailed in accordance with this paragraph will be deemed to be delivered at the time of mailing. Pursuant to applicable Law, the Offeror may, in certain circumstances, be required to make withholdings from the amount otherwise payable to a Shareholder.

Shareholders will not be required to pay any fee or commission if they accept the Offer by depositing their Common Shares directly with the Information Agent and Depositary or if they make use of the services of a Soliciting Dealer to accept the Offer. However, a broker or other nominee that is not a Soliciting Dealer and through whom a Shareholder owns Common Shares may charge a fee to tender any such securities on behalf of the Shareholder.

Shareholders should consult their investment advisors, stock brokers or other intermediary to determine whether any charges will apply.

## **7. Withdrawal of Deposited Common Shares**

Except as otherwise stated in this Section 7 or as otherwise required by applicable Law, all deposits of Common Shares under the Offer are irrevocable. Unless otherwise required or permitted by applicable Law, any Common Shares deposited in acceptance of the Offer may be withdrawn by or on behalf of the depositing Shareholder:

- (a) at any time before the Deposited Common Shares have been taken up by the Offeror under the Offer;
- (b) if the Deposited Common Shares have not been paid for by the Offeror within three business days after the Deposited Common Shares have been taken up by the Offeror under the Offer; or
- (c) at any time before the expiration of ten days from the date of a notice of change or notice of variation of the Offer, provided that a Shareholder may not withdraw its Common Shares deposited in acceptance of the Offer if: (i) its Common Shares have been taken up by the Offeror before the date of the notice of change or notice of variation; or (ii) any of the following apply:
  - (i) there is a variation in the terms of the Offer consisting solely of an increase in consideration offered for the Common Shares and an extension of the Expiry Time to not later than ten days after the date of the notice of variation;
  - (ii) there is a variation in the terms of the Offer consisting solely of the waiver of one or more of the conditions of the Offer; or
  - (iii) there is a variation in the terms after the Expiry Time consisting of either an increase in the consideration offered for the Common Shares or an extension of the time for deposit to not later than ten days from the date of the notice of variation.

Withdrawals of Common Shares deposited under the Offer must be effected by notice of withdrawal made by or on behalf of the depositing Shareholder and must be actually received by the Information Agent and Depositary at the place of deposit of the applicable Common Shares (or Notice of Guaranteed Delivery in respect thereof) within the time limits indicated above. Notices of withdrawal: (i) must be made by a method that provides the Information Agent and Depositary with a written or printed copy of such notice; (ii) must be signed by or on behalf of the person who signed the Letter of Transmittal accompanying (or Notice of Guaranteed Delivery in respect of) the Common Shares which are to be withdrawn; and (iii) must specify such person's name, the number of Common Shares to be withdrawn, the name of the registered holder and the certificate number shown on each certificate representing the Common Shares to be withdrawn. Any signature in a notice of withdrawal must be guaranteed by an Eligible Institution in the same manner as in a Letter of Transmittal (as described in the instructions set out therein), except in the case of Common Shares deposited for the account of an Eligible Institution.

If Common Shares have been deposited pursuant to the procedures for book-entry transfer, as set out in Section 3 of the Offer to Purchase, "Manner of Acceptance – Acceptance by Book-Entry Transfer", any notice of withdrawal must specify the name and number of the account at CDS or DTC, as applicable, to be credited with the withdrawn Common Shares and otherwise comply with the procedures of CDS or DTC, as applicable.

**A withdrawal of Common Shares deposited under the Offer can only be accomplished in accordance with the foregoing procedures. The withdrawal will take effect only upon actual receipt by the Information Agent and Depositary of the properly completed and executed written notice of withdrawal.**

**Investment dealers, banks, trust companies or other intermediaries may set deadlines for the withdrawal of Common Shares deposited under the Offer that are earlier than those specified above. Shareholders should contact their brokers or other intermediaries for assistance.**

All questions as to the validity (including, without limitation, timely receipt) and form of notices of withdrawal will be determined by the Offeror in its sole discretion and such determination will be final and binding. There is no duty

or obligation of the Offeror, the Information Agent and Depositary or any other person to give notice of any defect or irregularity in any notice of withdrawal and no liability shall be incurred or suffered by any of them for failure to give such notice.

If the Offeror extends the period of time during which the Offer is open, is delayed in taking up or paying for Common Shares or is unable to take up or pay for Common Shares for any reason, then, without prejudice to the Offeror's other rights, Deposited Common Shares may, subject to applicable Law, be retained by the Information Agent and Depositary on behalf of the Offeror until such Deposited Common Shares are withdrawn by Shareholders in accordance with this Section 7 or pursuant to applicable Law.

Withdrawals cannot be rescinded and any Deposited Common Shares withdrawn will be deemed not validly deposited for the purposes of the Offer, but may be re-deposited at any subsequent time at or prior to the Expiry Time by following any of the procedures described in Section 3 of the Offer to Purchase, "Manner of Acceptance".

In addition to the foregoing rights of withdrawal, Shareholders in Canada are entitled to one or more statutory rights of rescission, price revision or to damages in certain circumstances. See Section 21 of the Circular, "Statutory Rights".

## **8. Return of Deposited Common Shares**

Any Deposited Common Shares that are not taken up and paid for by the Offeror pursuant to the terms and conditions of the Offer for any reason will be returned, at the Offeror's expense, to the depositing Shareholder as soon as practicable after the Expiry Time or withdrawal of the Offer, by either: (i) sending certificates representing the Common Shares not purchased by first-class insured mail to the address of the depositing Shareholder specified in the Letter of Transmittal or, if such name or address is not so specified, in such name and to such address as shown on the securities register maintained by or on behalf of Apivio; or (ii) in the case of Common Shares deposited by book-entry transfer of such Common Shares pursuant to the procedures set out in Section 3 of the Offer to Purchase, "Manner of Acceptance – Acceptance by Book-Entry Transfer", such Common Shares will be credited to the depositing holder's account maintained with CDS or DTC, as applicable.

## **9. Changes in Capitalization; Adjustments; Liens**

If, on or after the date of the Offer, Apivio should divide, combine, reclassify, consolidate, convert or otherwise change any of the Common Shares or its capitalization, issue any Common Shares, or issue, grant or sell any Convertible Securities, or disclose that it has taken or intends to take any such action, then the Offeror may, in its sole discretion and without prejudice to its rights under Section 4 of the Offer to Purchase, "Conditions of the Offer", make such adjustments as it considers appropriate to the purchase price and other terms of the Offer (including, without limitation, the type of securities offered to be purchased and the amount payable therefor) to reflect such division, combination, reclassification, consolidation, conversion, issuance, grant, sale or other change. See Section 5 of the Offer to Purchase, "Extension, Variation or Change in the Offer".

Common Shares and any Distributions acquired under the Offer shall be transferred by the Shareholder and acquired by the Offeror free and clear of all liens, restrictions, charges, encumbrances, claims and equities and together with all rights and benefits arising therefrom, including, without limitation, the right to any and all dividends, distributions, payments, securities, property, rights, assets or other interests which may be accrued, declared, paid, issued, distributed, made or transferred on or after the date of the Offer on or in respect of the Common Shares, whether or not separated from the Common Shares.

If, on or after the date of the Offer, Apivio should declare, set aside or pay any dividend or declare, make or pay any other distribution or payment on or declare, allot, reserve or issue any securities, rights or other interests with respect to any Common Share, which is or are payable or distributable to Shareholders on a record date prior to the date of transfer into the name of the Offeror or its intermediary or transferee on the securities register maintained by or on behalf of Apivio in respect of Common Shares accepted for purchase under the Offer, then (and without prejudice to its rights under Section 4 of the Offer to Purchase, "Conditions of the Offer"): (i) in the case of any such cash dividends, distributions or payments that in an aggregate amount do not exceed the purchase price per Common Share payable, the purchase price per Common Share payable by the Offeror pursuant to the Offer will be reduced by the amount of any such dividend, distribution or payment; and (ii) in the case of any such cash dividends, distributions or payments that in an aggregate amount exceeds the purchase price per Common Share payable by the

Offeror pursuant to the Offer, or in the case of any non-cash dividend, distribution, payment, securities, property, rights, assets or other interests, the whole of any such dividend, distribution, payment, securities, property, rights, assets or other interests (and not simply the portion that exceeds the purchase price per Common Share payable by the Offeror under the Offer), the amount of any excess will be received and held by the depositing Shareholder for the account of the Offeror and will be promptly remitted and transferred by the depositing Shareholder to the Information Agent and Depositary for the account of the Offeror, accompanied by appropriate documentation of transfer. The Offeror will be entitled to deduct from the consideration payable by the Offeror under the Offer the amount or value thereof, as determined by the Offeror in its sole discretion.

**The declaration or payment of any such dividend or distribution may have tax consequences not described under Section 17 of the Circular, “Certain Canadian Federal Income Tax Considerations” or in Section 18 of the Circular, “Certain United States Federal Income Tax Considerations”. Shareholders should consult their own tax advisors as to the tax consequences of the declaration or payment of any such dividend or distribution.**

#### **10. Notices and Delivery**

Without limiting any other lawful means of giving notice, and unless otherwise specified by applicable Law, any notice to be given by the Offeror or the Information Agent and Depositary under the Offer will be deemed to have been properly given if it is mailed by first class mail, postage prepaid, to the registered Shareholders (and to registered holders of Convertible Securities) at their respective addresses as shown on the register maintained by or on behalf of Apivio in respect of the Common Shares or Convertible Securities, as the case may be, and, unless otherwise specified by applicable Law, will be deemed to have been received on the first business day following the date of mailing. For this purpose, “business day” means any day other than a Saturday, Sunday or statutory holiday in the jurisdiction to which the notice is mailed. These provisions apply notwithstanding any accidental omission to give notice to any one or more Shareholders and notwithstanding any interruption of mail services following mailing. Except as otherwise permitted by applicable Law, if mail service is interrupted or delayed following mailing, the Offeror intends to make reasonable efforts to disseminate the notice by other means, such as publication. Except as otherwise required or permitted by applicable Law, if post offices in Canada are not open for the deposit of mail, any notice which the Offeror or the Information Agent and Depositary may give or cause to be given to Shareholders under the Offer will be deemed to have been properly given and to have been received by Shareholders if: (i) it is given to the TSXV for dissemination through its facilities; (ii) it is published once in an English and French major daily newspaper of general and regular paid circulation; or (iii) it is delivered to MarketWired or Canada Newswire for dissemination through its respective facilities.

The Offer to Purchase and Circular and the accompanying Letter of Transmittal and Notice of Guaranteed Delivery will be mailed to registered Shareholders (and to registered holders of Convertible Securities) by first class mail, postage prepaid, or made in such other manner as is permitted by applicable Law and the Offeror will use its reasonable efforts to furnish such documents to investment dealers, banks and similar persons whose names, or the names of whose nominees, appear in the register maintained by or on behalf of Apivio in respect of the Common Shares or, if security position listings are available, who are listed as Participants in a clearing agency’s security position listing, for subsequent transmittal to the beneficial owners of Common Shares where such listings are received.

These security holder materials are being sent to both registered and non-registered owners of securities. If you are a non-registered owner, and the Offeror or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable regulatory requirements from the intermediary holding such securities on your behalf.

Wherever the Offer calls for documents to be delivered to the Information Agent and Depositary, such documents will not be considered delivered unless and until they have been physically received at the office of the Information Agent and Depositary specified in the Letter of Transmittal or the Notice of Guaranteed Delivery, as applicable.

#### **11. Mail Service Interruption**

Notwithstanding the provisions of the Offer to Purchase and Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery, cheques and any other relevant documents will not be mailed if the Offeror determines that delivery thereof by mail may be delayed. Persons entitled to cheques or any other relevant documents which are not

mailed for the foregoing reason may take delivery thereof at the office of the Information Agent and Depositary to which the deposited certificate(s) for Common Shares were delivered until such time as the Offeror has determined that delivery by mail will no longer be delayed. The Offeror shall provide notice of any such determination not to mail made under this Section 11 as soon as reasonably practicable after the making of such determination and in accordance with Section 10 of the Offer to Purchase, "Notices and Delivery". Notwithstanding Section 6 of the Offer to Purchase, "Take-Up of and Payment for Deposited Common Shares", cheques and any other relevant documents not mailed for the foregoing reason will be conclusively deemed to have been delivered on the first day upon which they are available for delivery to the depositing Shareholder at the office of the Information Agent and Depositary.

## **12. Market Purchases and Sales of Common Shares**

The Offeror reserves the right to, and may, acquire or cause an affiliate to acquire beneficial ownership of Common Shares by making purchases through the facilities of the TSXV at any time, and from time to time, prior to the Expiry Time subject to and in accordance with applicable Law. In no event, however, will the Offeror (or its affiliates) make any such purchases of Common Shares until the third business day following the date of the Offer and the Offeror shall comply with the following requirements under Section 2.2(3) of NI 62-104, in the event it decides to make any such purchases:

- (a) such intention shall be stated in a news release issued and filed at least one business day prior to making such purchases;
- (b) the aggregate number of Common Shares beneficially acquired shall not exceed five percent of the outstanding Common Shares as of the date of the Offer, calculated in accordance with applicable Law;
- (c) the purchases shall be made in the normal course through the facilities of the TSXV;
- (d) the Offeror shall issue and file a news release containing the information required under applicable Law immediately after the close of business of the TSXV on each day on which Common Shares have been purchased; and
- (e) the broker involved in such trades shall provide only customary broker services and receive only customary fees or commissions, and no solicitation for the sale or purchase of Common Shares shall be made by the Offeror or its agents (other than under the Offer) or the seller or its agents.

Purchases pursuant to Section 2.2(3) of NI 62-104 will not be counted in any determination as to whether the Statutory Minimum Condition has been fulfilled, but will be counted in determining whether the Minimum Tender Condition has been satisfied.

Although the Offeror has no present intention to sell Common Shares taken up under the Offer, the Offeror reserves the right to make or enter into agreements, commitments or understandings at or prior to the Expiry Time to sell any of such Common Shares after the Expiry Time, subject to applicable Law and compliance with Section 2.7(2) of NI 62-104. For the purposes of this Section 12, the "Offeror" includes any person acting jointly or in concert with the Offeror.

## **13. Other Terms of the Offer**

- (a) The Offer and all contracts resulting from acceptance thereof shall be governed by and construed in accordance with the Laws of the Province of British Columbia and the federal Laws of Canada applicable therein. Each party to any agreement resulting from the acceptance of the Offer unconditionally and irrevocably attorns to the exclusive jurisdiction of the courts of the Province of British Columbia and all courts competent to hear appeals therefrom.
- (b) The Offeror reserves the right to transfer to one or more affiliates of the Offeror the right to purchase all or any portion of the Common Shares deposited pursuant to the Offer, but any such transfer will not relieve the Offeror of its obligations under the Offer and will in no way prejudice

the rights of Persons depositing Common Shares to receive payment for Common Shares validly deposited and accepted for payment under the Offer.

- (c) In any jurisdiction in which the Offer is required to be made by a licenced broker or dealer, the Offer shall be made on behalf of the Offeror by brokers or dealers licenced under the Laws of such jurisdiction.
- (d) No broker, dealer or other person has been authorized to give any information or make any representation on behalf of the Offeror not contained herein or in the accompanying Circular, and, if given or made, such information or representation must not be relied upon as having been authorized. No broker, dealer or other person shall be deemed to be the agent of the Offeror or the Information Agent and Depositary for the purposes of the Offer.
- (e) The provisions of the Questions and Answers About the Offer, the Glossary, the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery accompanying this Offer to Purchase, including the instructions contained therein, as applicable, form part of the terms and conditions of the Offer.
- (f) The Offeror, in its sole discretion, shall be entitled to make a final and binding determination of all questions relating to the interpretation of the terms and conditions of the Offer (including, without limitation, the satisfaction of the conditions of the Offer), the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery, the validity of any acceptance of the Offer and the validity of any withdrawals of Common Shares.
- (g) This Offer to Purchase and Circular do not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, nor will deposits be accepted from or on behalf of, Shareholders residing in any jurisdiction in which the making or the acceptance of the Offer would not be in compliance with the Laws of such jurisdiction. However, the Offeror may, in the Offeror's sole discretion, take such action as the Offeror may deem necessary to make the Offer in any jurisdiction and extend the Offer to Shareholders in any such jurisdiction.
- (h) The Offeror reserves the right to waive any defect in acceptance with respect to any particular Common Shares or any particular Shareholder. There shall be no duty or obligation of the Offeror, the Information Agent and Depositary or any other person to give notice of any defect or irregularity in the deposit of Common Shares or in any notice of withdrawal and, in each case, no liability shall be incurred or suffered by any of them for failure to give such notice.
- (i) Where the Offer provides that the time for the taking of any action, the doing of anything or the end of any period, expires or falls upon a day that is not a business day, the time shall be extended and action may be taken, the thing may be done or the period shall end as the case may be, on the next business day.

DATED: January 17, 2017.

1101324 B.C. Ltd.

(signed) "*Seok Won Yang*"

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Director and Company Representative

**The Offer to Purchase and the accompanying Circular together constitute the take-over bid circular required under Canadian securities legislation with respect to the Offer. Shareholders are urged to refer to the accompanying Circular for additional information relating to the Offer.**

## CIRCULAR

*This Circular is furnished in connection with the accompanying Offer to Purchase dated January 17, 2017 to purchase all of the issued and outstanding Common Shares of Apivio. The terms and conditions of the Offer to Purchase, the Letter of Transmittal and the Notice of Guaranteed Delivery are incorporated into and form part of this Circular. Shareholders should refer to the Offer to Purchase for details of the terms and conditions of the Offer, including, without limitation, details as to payment and withdrawal rights. Unless the context otherwise requires, terms used but not defined in the Circular have the respective meanings given to them in the accompanying Glossary.*

*Unless otherwise indicated, the information concerning Apivio contained in the Offer to Purchase and Circular has been taken from or is based solely upon publicly available documents and records on file with Securities Regulatory Authorities and other public sources available at the time of the Offer. Although the Offeror and Nuri have no knowledge that would indicate that any statements contained herein and taken from or based on such information are untrue or incomplete, none of the Offeror, Nuri or any of their respective officers, directors or trustees assumes any responsibility for the accuracy or completeness of such information or for any failure by Apivio to disclose events or facts that may have occurred or that may affect the significance or accuracy of any such information but that are unknown to the Offeror. Unless otherwise indicated, information concerning Apivio is given as of September 30, 2016.*

### **1. The Offeror**

The Offeror was incorporated under the BCA on December 22, 2016 for the sole purpose of making the Offer and is a wholly-owned subsidiary of Nuri, which is a publically traded company established in March of 1993 under the laws of the Republic of Korea. The Offeror's registered office is located at 2900 - 550 Burrard Street, Vancouver, British Columbia V6C 0A3. Nuri's shares are listed for trading on the KOSDAQ under the trading symbol "040160" with a market capitalization of approximately \$127.8 million as at January 16, 2017 (Seoul Republic of Korea time). Nuri is a reporting issuer or the equivalent of such in all provinces and territories of the Republic of Korea. The registered and head office of Nuri is located at Nuri Building, 16 Sapyeong-Daero, Seocho-Gu, Seoul, Korea 06552.

Nuri is a provider of next generation communication technology for the IoT and the smart grid industry. Nuri is a global leader in providing end-to-end advanced metering infrastructure solutions that save consumers money and help utilities to run a network infrastructure that is proven, reliable, future-proof and fully standardized. Nuri's core product offering is a communication solution for smart meters, AiMiR, which provides automatic meter readings of electricity, water, gas and other measurements and delivers gathered data through a variety of networks in real time. AiMiR helps consumers and utility companies manage their resource consumption by providing real time information, accommodating their resource distribution to optimum levels for both short term and long term infrastructure needs.

To date, Nuri has deployed its communication systems to over two million households and businesses in 19 countries worldwide, and that number continues to grow each day through large-scale deployments in commercial, industrial, and residential markets. With a growing list of global customers, Nuri is expanding its customer base throughout Asia, Europe and Africa. Recent successes for Nuri include winning the US\$79 million Soria projects in Norway and US\$12 million ECG projects in Ghana.

As of the date hereof:

- the Offeror does not beneficially own or exercise control or direction over any securities of Apivio;
- none of the directors, officers, associates or affiliates of the Offeror beneficially own or exercise control or direction over any securities of Apivio;
- no insider or any associate or affiliate of any insider of the Offeror beneficially owns or exercises control or direction over any securities of Apivio; and

- no person acting jointly or in concert with the Offeror beneficially owns or exercises control or direction over any securities of Apivio.

## **2. Apivio**

Apivio (formerly known as Moimstone Corporation), headquartered at Unit 150 - 3751 Shell Road, Richmond, British Columbia, V6X 2W2, was founded as a technology company in South Korea in 2003. On September 9, 2013, Apivio completed an amalgamation by way of a court-approved plan of arrangement with Electric Metals Inc. Upon completion of such amalgamation, Apivio's Common Shares began trading on the TSXV under the stock symbol "MSE" on September 10, 2013. On May 22, 2014, Apivio changed its name to "Apivio Systems Inc." and its Common Shares began trading on the TSXV under the stock symbol "APV".

Apivio principally engages in the design, development, manufacture, and sale of communications equipment and software through its wholly-owned Korean subsidiary, Moimstone. Moimstone was incorporated under the Korean Commercial Code on September 23, 2003, and supplies VoIP telephone equipment and other products mostly to Korean telecommunications carriers.

## **3. Certain Information Concerning Securities of Apivio**

### ***Share Capital of Apivio***

Apivio is authorized to issue an unlimited number of Common Shares. Shareholders are entitled to: (i) dividends if, as and when declared by the Apivio Board; (ii) one vote per Common Share at meetings of Shareholders; and (iii) upon liquidation, dissolution or winding up of Apivio, receive pro rata the property and assets of Apivio remaining after the holders of preferred shares in the capital of Apivio have received the amounts to which they are entitled.

Based solely on information contained in Apivio's management's discussion and analysis dated November 9, 2016, for the three and nine months ended September 30, 2016, there were 52,843,525 Common Shares issued and outstanding. As at January 16, 2017, Apivio has no preferred shares issued and outstanding.

As at September 30, 2016, Apivio had 4,677,985 Options, of which 2,913,657 are vested and exercisable for 2,913,657 Common Shares under the terms of the Stock Option Plan.

On September 23, 2014, in connection with a brokered private placement, Apivio issued 258,016 compensation options to the agent, PI Financial Corp. The compensation options expired on September 22, 2016. On March 24, 2015, in connection with a bought deal private placement, Apivio issued 754,285 compensation options to the same agent. These compensation options were issued under separate approval from the TSXV and were not issued under the Stock Option Plan. As at November 9, 2016, Apivio had 754,285 compensation options outstanding at an exercise price of \$0.55.

On September 23, 2014, in connection with a brokered private placement, Apivio issued 3,225,200 warrants, each exercisable by the holder into one Common Share of Apvio at a price of \$0.55 per share for a period of 24 months from the closing date, subject to an accelerated expiry. These warrants expired on September 22, 2016. On March 24, 2015 in connection with a bought deal private placement, Apivio issued 9,522,795 warrants exercisable by the holder into one Common Share of Apivio at a price of \$0.55 per Common Share for a period of 24 months from the closing date, subject to an accelerated expiry. As at November 9, 2016, Apivio had 9,522,795 warrants outstanding.

Based solely on the above information, the Offeror understands that, assuming the exercise of only those Convertible Securities that are in the money and exercisable, 55,757,182 Common Shares would be subject to the Offer.

### ***Trading in Apivio Securities***

The Common Shares are traded on the TSXV under the symbol "APV". On January 16, 2017, being the last trading day on the TSXV prior to the public announcement by the Offeror of its Offer to the Shareholders to acquire Apivio, the closing price of the Common Shares on the TSXV was \$0.265. The following table sets forth, for the periods indicated, the reported high and low trading prices and the aggregate volume of trading of the Common Shares on the TSXV.

### Trading of Common Shares

	High (\$)	Low (\$)	Volume (#)
January 2016.....	0.460	0.360	1,312,890
February 2016.....	0.410	0.350	700,675
March 2016.....	0.435	0.350	413,071
April 2016.....	0.400	0.320	1,478,030
May 2016.....	0.370	0.290	614,928
June 2016.....	0.370	0.300	2,407,100
July 2016.....	0.330	0.280	792,870
August 2016.....	0.325	0.250	1,142,254
September 2016.....	0.290	0.250	1,474,449
October 2016.....	0.270	0.240	1,444,275
November 2016.....	0.285	0.245	1,567,895
December 2016.....	0.290	0.240	277,481
January 1 to January 16, 2017.....	0.290	0.265	378,200

Source: TSXV Market Data

#### **4. Background to the Offer**

In the ordinary course, the management and board of directors of Nuri continually evaluate potential acquisitions of businesses and other investment opportunities in order to identify strategic opportunities, including acquisitions, business combination transactions, joint ventures and other commercial transactions, which may be available to add size, scale and diversity of earnings to Nuri's existing business, support its corporate strategy and enhance its shareholder value. As part of this ongoing review process, Nuri has from time to time considered possible transactions involving Apivio. The overview provided below may not have been publically disclosed in its entirety, or at all.

In August 2016, Nuri initiated dialogue with Apivio, expressing interest in a transaction involving the two businesses. Nuri presented Apivio with documents describing its IoT and smart grid business. Company representatives discussed the potential benefits of combining their businesses.

In September 2016, Nuri and Apivio entered into a written non-disclosure agreement (the "**Non-Disclosure Agreement**"). The Non-Disclosure Agreement contemplated the parties exploring a potential business opportunity. It prohibited the use of any "Confidential Information" (as defined in the Non-Disclosure Agreement) exchanged as part of that process for any purpose other than the potential business opportunity.

In September and October 2016, company representatives met in Canada and Korea to discuss the benefits of combining the businesses to the mutual benefit of their shareholders.

In late October and in November 2016, Nuri submitted formal proposals to Apivio, including proposals for the acquisition of all the outstanding Common Shares, in an all-cash transaction, subject to completion of confirmatory due diligence which could be completed in less than two weeks. The proposals contemplated Nuri's acquisition of all issued and outstanding Common Shares for a purchase price of \$0.38 per Common Share, payable in cash. The proposal represented an enterprise value of approximately \$21 million, which implied a multiple of Apivio's 2016 expected Adjusted EBITDA of 12x based on the mid-point of Apivio's historic Adjusted EBITDA in 2014 and 2015 of \$1.4 - \$2.1 million. That offer represented a significant premium of approximately 38% to the closing price of \$0.275 per Common Share on the TSXV as at November 29, 2016. The proposal also represented a significant premium of 46% to the volume weighted average trading price of \$0.26 per Common Share on the TSXV over the 3 months ended on November 13, 2016. Finally, the proposal was not subject to any financing condition.

In late November, Nuri advised it was prepared to increase the amount offered to Shareholders if Apivio permitted Nuri to complete limited confirmatory due diligence. On December 19, 2016, Nuri formally increased the per

Common Share price by over 5% to \$0.40 for each Common Share to further strengthen its proposal. On December 22, 2016, Apivio indicated its refusal to continue negotiations with Nuri.

Effective from January 10, 2017 to January 16, 2017, the Offeror entered into Lock-Up Agreements with the Locked-Up Shareholders. The total number of Common Shares subject to the Lock-Up Agreements represents approximately 10.69% of the issued and outstanding Common Shares.

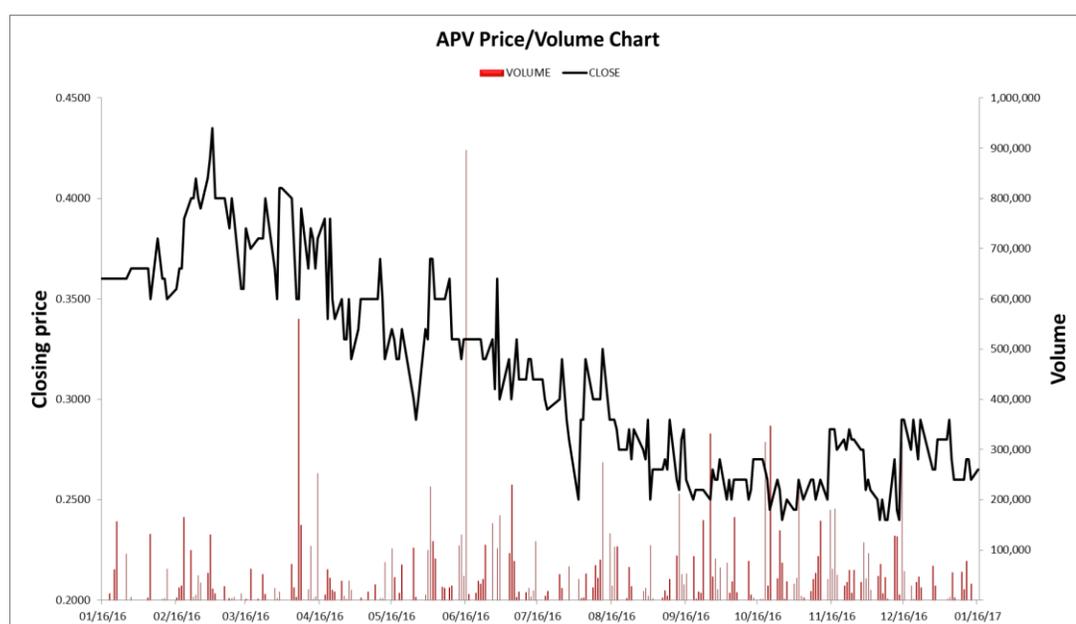
After considering these and other factors, the Offeror's board of directors approved approaching the Shareholders directly, the making of the Offer and the contents of this Offer to Purchase and Circular. On January 17, 2017, the Offer was commenced.

## 5. Reasons to Accept the Offer

The Offeror believes that Shareholders should consider the following factors, among others, in making a decision whether to accept the Offer:

- **Significant Premium to Market Price.** The Offer represents a significant premium of 51% based on the closing price of the Common Shares on the TSXV on January 16, 2017. The Offer also represents a significant premium of 49% to the volume weighted average trading price of the Common Shares on the TSXV over the 30 trading days ended on January 16, 2017.
- **Fair Value for Apivio.** The Offer price of \$0.40 in cash for each Common Share represents a premium value that fairly reflects the composition and performance of Apivio's portfolio of assets. The Offer price indicates an enterprise value of approximately \$22 million for Apivio, which implies a price-earnings ratio of approximately 42x to Apivio's earnings per share of \$0.01, as well as approximately 13x to Apivio's Adjusted EBITDA, based on Apivio's most recent four quarters (Q4, 2015 - Q3, 2016) of publicly filed financial information.
- **Realize Significant Value.** The all cash consideration provides Shareholders with the opportunity to realize significant and certain value for their Common Shares. The Offeror believes the immediate value is even more attractive when viewed against the risks inherent in any long term business plan of Apivio, particularly given its recent stock performance.

As the chart below shows, the Apivio Board and management team have presided over a share price decline of approximately 39.08% over the one year prior to January 16, 2017, representing a loss of approximately \$8.98 million in equity value from its highest point on February 3, 2016.



- **Liquidity.** Shareholders currently have limited liquidity based on the trading history of the Common Shares. The aggregate total trading volume for the entire year ended on December 30, 2016 is only 14,538,337 Common Shares, representing less than 28% of the number of issued and outstanding Common Shares. The Offer provides 100% cash consideration at a significant premium for the Common Shares, giving Shareholders certainty of value and immediate liquidity, with the added benefit of the opportunity to sell their Common Shares free of broker commissions and fees for those who deposit their Common Shares directly with the Information Agent and Depositary
- **Fully Financed Cash Offer.** The Offer is not subject to a financing condition. The Offeror will fund the entire Offer from available cash resources.
- **Low Likelihood of a Competing Offer.** The Offeror believes that Apivio is unlikely to receive a competing offer at a premium to the price being offered by the Offeror.
- **Avoid Uncertainty of Continued Investment in Apivio.** Apivio faces significant challenges that represent a substantial risk for Shareholders going forward, including:
  - **Apivio is Dependent on Moimstone.** Apivio's financial health is dependent on its wholly-owned Korean subsidiary, Moimstone, which represents approximately 95% of Apivio's overall revenues for the 2014 and 2015 fiscal years. Apivio's performance in North America, independent of Moimstone, has been flat, with its major sales to date consisting of a \$2.6 million contract for the UT880 Monet series VoIP phone and a \$0.2 million contract for the Wi-Fi liberty series, Liberty L1 product, in 2015. To put these numbers in perspective, Apivio spent roughly the equivalent amount in North America on research and development and North American marketing expenses.
  - **Moimstone Faces Stagnating Market in Korea.** While Apivio depends on Moimstone for the bulk of its revenues, Moimstone's own future growth prospects face significant headwinds and appear limited. Moimstone operates in the relatively mature market of Korea's VoIP telephony industry where it already enjoys a 95% market share. In this context, the Offeror and Nuri believe any further growth for Moimstone will necessarily involve significant market and execution risks.
  - **Thin Market for High End Products.** As a cornerstone of its business plans, Apivio's management team has devoted substantial resources to developing high-end products such as the UT880 Monet series VoIP phone for NEC America and the Wi-Fi Liberty series units for the North American market. However, the market for high-end products in the VoIP telephony market is relatively thin and can quickly saturate. The Offeror and Nuri believe there are significant risks to the high-end product line strategy currently being pursued by Apivio's management team.
- **Potential for Downward Impact to Common Share Price if Offer Not Accepted.** The Offer represents a significant premium to the market price of the Common Shares prior to the public announcement by the Offeror of its Offer to the Shareholders to acquire Apivio. If the Offer is not successful, and no other offer is made for Apivio, the Offeror believes it is likely the Common Share price will decline significantly below the Offer price.

*The foregoing list of factors is not intended to be exhaustive. Shareholders should consider the Offer carefully and come to their own conclusions as to whether to accept or reject the Offer. Shareholders who are in doubt as to how to respond should consult with their own investment dealer, stockbroker, bank manager, lawyer or other professional advisor. Shareholders are advised that acceptance of the Offer may have tax consequences and they should consult their own professional tax advisors.*

## **Lock-Up Agreements**

From January 10, 2017 to January 16, 2017, the Offeror entered into Lock-Up Agreements with the Locked-Up Shareholders, one of which is the founder and former CEO of Moimstone, and former board member of Apivio, C.W. Lee. The total number of Common Shares subject to the Lock-Up Agreements represents approximately 10.69% of the issued and outstanding Common Shares. Under the Lock-Up Agreements, each of the Locked-Up Shareholders has agreed, subject to certain exceptions, to accept the Offer by depositing the Common Shares presently owned or controlled by the Locked-Up Shareholder (including any other Common Shares directly or indirectly acquired by or issued to such Locked-Up Shareholder after the date of the applicable Lock-Up Agreement) in accordance with the terms and conditions of the Offer. In addition, the Locked-Up Shareholders have, subject to certain exceptions, agreed not to sell or transfer any of their Common Shares and not to exercise any statutory or other rights of withdrawal in respect of the Offer. See Section 13 of the Circular, “Agreements, Commitments or Understandings”.

The Shareholders who have entered into Lock-Up Agreements may terminate their obligations under the Lock-Up Agreements in certain circumstances, including to permit them to tender their Common Shares to a competing transaction offered to Shareholders that represents a higher value transaction to Shareholders than the Offer, provided the Offeror is given an opportunity to match the other transaction and declines to do so.

### **6. Purpose of the Offer**

The purpose of the Offer is to enable the Offeror to acquire control of, and ultimately acquire all of the outstanding Common Shares of Apivio. The effect of the Offer is to give all Shareholders the opportunity to receive \$0.40 in cash per Common Share, representing a 51% premium over the closing price of the Common Shares on the TSXV on January 16, 2017 (the last trading day before the Offeror publicly announced its Offer to the Shareholders to acquire Apivio).

If the conditions contained in the Offer and Purchase are satisfied or waived at the Expiry Time and the Offeror takes up and pays for the Common Shares validly deposited under the Offer, the Offeror may acquire any Common Shares not deposited under the Offer through a Compulsory Acquisition, if available, or a Subsequent Acquisition Transaction, in each case for consideration per Common Share at least equal in value to and in the same form as the consideration paid by the Offeror per Common Share under the Offer. The exact timing and details of any such transaction will depend upon a number of factors, including, without limitation, the number of Common Shares acquired pursuant to the Offer. Although the Offeror may propose either a Compulsory Acquisition or a Subsequent Acquisition Transaction generally on the terms described herein, it is possible that, as a result of delays in the Offeror’s ability to effect such a transaction, information subsequently obtained by the Offeror, changes in general economic or market conditions or in the business of Apivio or other currently unforeseen circumstances, such a transaction may not be proposed, may be delayed or abandoned or may be proposed on different terms. Accordingly, the Offeror reserves the right not to propose a Compulsory Acquisition or Subsequent Acquisition Transaction, or to propose a Subsequent Acquisition Transaction on terms other than as described in the Circular. See Section 12 of the Circular, “Acquisition of Common Shares Not Deposited”.

### **7. Effects of the Offer**

If permitted by applicable Law, the Offeror may cause Apivio to apply to delist the Common Shares from the TSXV after completion of the Offer and any Compulsory Acquisition or any Subsequent Acquisition Transaction or any combination of such. In addition, if permitted by applicable Law, subsequent to the completion of the Offer and any Compulsory Acquisition or Subsequent Acquisition Transaction or any combination of such, the Offeror may cause Apivio to cease to be a reporting issuer under the securities Laws of each province and territory of Canada in which it has such status. See Section 18 of the Circular, “Effect of the Offer on the Market for and Listing of Common Shares and Status as a Reporting Issuer”.

If the Offer and a Compulsory Acquisition or any Subsequent Acquisition Transaction is successful, and the Common Shares are delisted from the TSXV:

- (a) the Offeror will own all of the equity interests in Apivio and the Offeror will be entitled to all the benefits and risks of loss associated with such ownership;

- (b) current Shareholders will no longer have any interest in Apivio or in Apivio's assets, book value or future earnings or growth and the Offeror will hold a 100% interest in such assets, book value, future earnings and growth;
- (c) the Offeror will have the right to elect all members of the Apivio Board;
- (d) Apivio will no longer be publicly traded and Apivio will no longer file periodic reports (including, without limitation, financial information) with any Securities Regulatory Authorities; and
- (e) the Common Shares will no longer trade on the TSXV or any other securities exchange.

If the Offeror takes up Common Shares under the Offer but is unable to or determines not to complete a Compulsory Acquisition or Subsequent Acquisition Transaction or combination of such, then Apivio will continue as a public company and the Offeror will evaluate its alternatives. Such alternatives could include, to the extent permitted by applicable Law, purchasing additional Common Shares in the open market, in privately negotiated transactions or pursuant to another take-over bid or other transaction, and thereafter proposing an amalgamation, arrangement or other transaction which would result in the Offeror's ownership of 100% of the Common Shares. Under such circumstances, an amalgamation, arrangement or other transaction would require the approval of at least 66% of the votes cast by the Shareholders, and might require approval of a majority of the votes cast by holders of Common Shares other than the Offeror and its affiliates. There is no certainty that under such circumstances any such transaction would be proposed or completed by the Offeror.

In addition, if the Offeror takes up Common Shares under the Offer, the Offeror may replace some or all of the existing members of the Apivio Board with individuals nominated by the Offeror, which may include individuals currently serving as a member of the Nuri board of directors. The Offeror also may, subject to the approval of the new Apivio Board, replace some or all of Apivio's management team.

## **8. Source of Funds**

The Offeror's obligation to purchase the Common Shares deposited under the Offer is not subject to any financing condition.

The Offeror estimates that, if it acquires all of the issued and outstanding Common Shares, the total amount of cash required to purchase such Common Shares will be approximately \$22 million, plus related fees and expenses associated with the Offer.

The Offeror will fund the entire Offer from available cash resources and use such resources to pay for the entire consideration payable for the Common Shares.

The Offeror believes that its financial condition is not material to a decision by a Shareholder whether to deposit Common Shares under the Offer because: (i) cash is the only consideration that will be paid to Shareholders in connection with the Offer; (ii) the Offeror is offering to purchase all of the outstanding Common Shares in the Offer; and (iii) the Offer is not subject to obtaining any financing or to any financing contingencies.

## **9. Ownership and Trading in Securities of Apivio**

Other than as set forth herein, to the knowledge of the Offeror and Nuri, after reasonable enquiry, neither the Offeror, Nuri nor any director or officer of the Offeror or Nuri (together, the "**Offeror Group**"), beneficially owns, directly or indirectly, or exercises control or direction over any Common Shares, Convertible Securities or any other securities of Apivio.

To the knowledge of the Offeror and Nuri, after reasonable enquiry, no Common Shares, Convertible Securities or other securities of Apivio are beneficially owned, directly or indirectly, nor is control or direction exercised over any such securities, by any insider of the Offeror or Nuri (other than directors or officers of the Offeror or Nuri) or any associate or affiliate of any insider of the Offeror or Nuri, (together, the "**Extended Offeror Group**") or any party acting jointly or in concert with the Offeror or Nuri.

No member of the Offeror Group or, to the knowledge of the Offeror and Nuri after reasonable enquiry, any member of the Extended Offeror Group or any party acting jointly or in concert with the Offeror or Nuri, has traded in any securities of Apivio during the six months preceding the date of the Offer.

The following table sets out the names of the current directors and officers of Apivio, the positions held by them and the number of Common Shares and Options and the percentage of the outstanding number of Common Shares and Options beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them and, where known after reasonable enquiry, by their respective associates and affiliates, based on Apivio's management information circular dated April 15, 2016 and SEDI filings made by such directors and officers:

Name	Office	Apivio Securities			
		Common Shares		Options (+)	
		Number	%	Number	%
David Shaw	Directors	50,000	*	200,000	8.4%
Jason Donville	Directors	Nil	-	200,000	8.4%
Rob Bakshi	Chief Executive Officer and Chairman	6,292,857*	11.9%	1,067,985	45.1%
Rob McJunkin	Director	65,000	*	400,000	16.9%
Tim Howley	Director	100,000	*	300,000	12.7%
Walter Andri	Director	Nil	-	200,000	8.4%

(+) Each Option entitles the holder to acquire, upon exercise, one Common Share.

(\*) Less than one percent.

(•) Includes Common Shares owned directly and Common Shares beneficially owned by 873112 B.C. Ltd., a private company controlled by Mr. Rob Bakshi.

To the knowledge of the Offeror, there were no persons or corporations that beneficially owned, directly or indirectly, or exercised control or direction over Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares other than Mr. Rob Bakshi, Chief Executive Officer and Chairman of Apivio, including Common Shares owned directly by Mr. Rob Bakshi and Common Shares beneficially owned by 873112 B.C. Ltd.

## 10. Commitments to Acquire Securities of Apivio

Other than pursuant to the Lock-Up Agreements, none of the Offeror, Nuri nor, to the knowledge of the Offeror or Nuri, after reasonable enquiry, any of their respective directors or officers, any associate or affiliate of an insider of the Offeror or Nuri, any insider of the Offeror or Nuri other than a director or officer of the Offeror or Nuri or any person acting jointly or in concert with the Offeror or Nuri, has entered into any agreements, commitments or understandings to acquire any securities of Apivio.

## 11. Other Material Facts

None of the Offeror and Nuri has knowledge of any material fact concerning the securities of Apivio that has not been generally disclosed by Apivio, or any other matter that is not disclosed in this Circular and that has not previously been generally disclosed, and that would reasonably be expected to affect the decision of Shareholders to accept or reject the Offer.

## 12. Acquisition of Common Shares Not Deposited

If sufficient Common Shares are deposited under the Offer, the Offeror may seek, to the extent possible, to acquire the remaining Common Shares pursuant to the right of Compulsory Acquisition provided for under the BCA. If the Offeror acquires less than 90% of the Common Shares subject to the Offer, or the right of Compulsory Acquisition is not available for any reason, or the Offeror chooses not to avail itself of such statutory right, the Offeror may seek to pursue other means of acquiring the remaining Common Shares not deposited under the Offer pursuant to a Subsequent Acquisition Transaction. There can be no assurances that the Offeror will pursue a Compulsory Acquisition or a Subsequent Acquisition Transaction. The Offer is conditional upon, among other things, the

Statutory Minimum Condition. These and other conditions of the Offer are described in Section 4 of the Offer to Purchase, “Conditions of the Offer”.

### ***Compulsory Acquisition***

If, within four months after the date of the Offer, the Offer has been accepted by holders of Common Shares holding at least 90% of the issued and outstanding Common Shares, the Offeror may seek, to the extent possible, to acquire the Common Shares not tendered to the Offer by way of a Compulsory Acquisition pursuant to Section 300 of the BCA (a “**Compulsory Acquisition**”). If a Compulsory Acquisition is not available, the Offeror may seek, to the extent possible, to acquire the remaining Common Shares not tendered to the Offer, including by way of a Subsequent Acquisition Transaction for consideration at least equal in value to and is in the same form as the consideration paid pursuant to the Offer. There can be no assurances that the Offeror will pursue a Compulsory Acquisition or a Subsequent Acquisition Transaction.

To exercise its statutory right of Compulsory Acquisition, the Offeror must send a notice (the “**Offeror’s Notice**”) to each Shareholder who did not accept the Offer (and each Person who subsequently acquires any such Common Shares) (in each case, a “**Dissenting Offeree**”) of such proposed acquisition within five months after the date of the Offer. If the Offeror’s Notice is sent to a Dissenting Offeree under Subsection 300(3) of the BCA, the Offeror is entitled and bound to acquire all of the Common Shares of that Dissenting Offeree for the same price and on the same terms contained in the Offer, unless the Court orders otherwise on an application made by that Dissenting Offeree within two months after the date of the Offeror’s Notice.

Pursuant to any such application, the Court may fix the price and terms of payment for the Common Shares held by a Dissenting Offeree and make any such consequential orders and give any such directions as the Court considers appropriate. Unless the Court orders otherwise (or, if an application to the Court has been made pursuant to the provisions described in the immediately preceding sentence, at any time after that application has been disposed of) the Offeror, not earlier than two months after the date of the Offeror’s Notice, must send a copy of the Offeror’s Notice to Apivio and pay or transfer to Apivio the consideration representing the price payable by the Offeror for the Common Shares that are referred to in the Offeror’s Notice. On receiving a copy of the Offeror’s Notice and the consideration representing the price payable for the Common Shares referred to in the Offeror’s Notice, Apivio will be required to register the Offeror as a the holder of those Common Shares. Any such amount received by Apivio must be paid into a separate account at a savings institution and, together with any other consideration so received, must be held by Apivio, or by a trustee approved by the Court, in trust for the Dissenting Offerees.

Section 300 of the BCA also provides that if the Offeror has not sent the Offeror’s Notice to each Dissenting Offeree within one month after becoming entitled to do so, the Offeror must send a written notice to each Dissenting Offeree stating that such Dissenting Offeree, within three months after receiving such notice, may require the Offeror to acquire the Common Shares held by such Dissenting Offeree. If a Dissenting Offeree requires the Offeror to acquire its Common Shares in accordance with these provisions, the Offeror must acquire those Common Shares for the same price and on the same terms contained in the Offer.

The foregoing is only a summary of the statutory right of Compulsory Acquisition that may become available to the Offeror. The summary is not intended to be complete nor is it meant to be a substitute for the more detailed information contained in the provisions of Section 300 of the BCA. Shareholders should refer to Section 300 of the BCA for the full text of the relevant statutory provisions. The provisions of Section 300 of the BCA are complex and require strict adherence to notice and timing provisions, failing which the rights under such provisions may be lost or altered. Shareholders who wish to be better informed about the provisions of Section 300 of the BCA should consult their legal advisors.

See Section 17 of the Circular, “Certain Canadian Federal Income Tax Considerations”, and Section 18 of the Circular, “Certain United States Federal Income Tax Considerations”, for a discussion of the tax consequences to Shareholders in the event of a Compulsory Acquisition.

### ***Subsequent Acquisition Transaction***

If the Offeror acquires less than 90% of the Common Shares under the Offer, the right of Compulsory Acquisition described above is not available for any reason, or the Offeror chooses not to avail itself of such statutory right, the Offeror may pursue other means of acquiring the remaining Common Shares not deposited under the Offer,

including, without limitation, causing one or more special meetings to be called of the then Shareholders to consider an amalgamation, statutory arrangement, capital reorganization, amendment to its articles, consolidation or other transaction involving the Offeror and/or an affiliate of the Offeror and Apivio and/or the Shareholders for the purpose of Apivio becoming, directly or indirectly, a wholly-owned subsidiary or affiliate of the Offeror (a “**Subsequent Acquisition Transaction**”). If the Offeror were to proceed with a Subsequent Acquisition Transaction, it is the Offeror’s current intention that the consideration to be paid to Shareholders pursuant to any such Subsequent Acquisition Transaction would be at least equal in value to and would be in the same form as the consideration payable under the Offer.

The timing and details of a Subsequent Acquisition Transaction, if any, will necessarily depend on a variety of factors, including, without limitation, the number of Common Shares acquired pursuant to the Offer. If after taking up Common Shares under the Offer the Offeror owns more than 66⅔% of the outstanding Common Shares and sufficient votes are cast by “minority” holders to constitute a majority of the “minority” pursuant to MI 61-101, as discussed below, the Offeror should own sufficient Common Shares to be able to effect a Subsequent Acquisition Transaction. There can be no assurances that the Offeror will pursue a Compulsory Acquisition or Subsequent Acquisition Transaction.

MI 61-101 may deem a Subsequent Acquisition Transaction to be a “business combination” if such Subsequent Acquisition Transaction would result in the interest of a holder of Common Shares being terminated without the consent of the holder, irrespective of the nature of the consideration provided in substitution therefor. The Offeror expects that any Subsequent Acquisition Transaction relating to Common Shares will be a “business combination” under MI 61-101.

In certain circumstances, the provisions of MI 61-101 may also deem certain types of Subsequent Acquisition Transactions to be “related party transactions”. However, if the Subsequent Acquisition Transaction is a “business combination” carried out in accordance with MI 61-101 or an exemption under MI 61-101, the “related party transaction” provisions therein do not apply to such transaction. Following completion of the Offer, the Offeror may be a “related party” of Apivio for the purposes of MI 61-101, although the Offeror expects that any Subsequent Acquisition Transaction would be a “business combination” for purposes of MI 61-101 and that therefore the “related party transaction” provisions of MI 61-101 would not apply to the Subsequent Acquisition Transaction. The Offeror intends to carry out any such Subsequent Acquisition Transaction in accordance with MI 61-101, or any successor provisions, or an exemption under MI 61-101, such that the “related party transaction” provisions of MI 61-101 would not apply to such Subsequent Acquisition Transaction.

MI 61-101 provides that, unless exempted, a corporation proposing to carry out a business combination is required to prepare a valuation of the affected securities (and, subject to certain exceptions, any non-cash consideration being offered therefor) and provide to the holders of the affected securities a summary of such valuation. The Offeror currently intends to rely on available exemptions (or, if such exemptions are not available, to seek waivers pursuant to MI 61-101 exempting Apivio and the Offeror or one or more of its affiliates, as appropriate) from the valuation requirements of MI 61-101. An exemption is available under MI 61-101 for certain business combinations completed within 120 days after the date of expiry of a formal take-over bid where the consideration per security under the business combination is at least equal in value to and is in the same form as the consideration that depositing security holders were entitled to receive in the take-over bid, provided that certain disclosure is given in the take-over bid disclosure documents. The Offeror has provided such disclosure and currently expects that these exemptions will be available.

Depending on the nature and terms of the Subsequent Acquisition Transaction, the provisions of the BCA and Apivio’s constating documents may require the approval of at least 66⅔% of the votes cast by holders of the outstanding Common Shares at a meeting duly called and held for the purpose of approving the Subsequent Acquisition Transaction. MI 61-101 would also require that, in addition to any other required security holder approval, in order to complete a business combination (such as a Subsequent Acquisition Transaction), the approval of a majority of the votes cast by “minority” shareholders of each class of affected securities must be obtained unless an exemption is available or discretionary relief is granted by applicable Securities Regulatory Authorities. If, however, following the Offer, the Offeror and its affiliates are the registered holders of 90% or more of the Common Shares at the time the Subsequent Acquisition Transaction is initiated, the requirement for minority approval would not apply to the transaction if an enforceable appraisal right or substantially equivalent right is made available to minority shareholders.

In relation to the Offer and any subsequent business combination, the “minority” Shareholders will be, unless an exemption is available or discretionary relief is granted by applicable Securities Regulatory Authorities, all Shareholders other than: (i) the Offeror (other than in respect of Common Shares acquired pursuant to the Offer as described below), (ii) any “interested party” (within the meaning of MI 61-101); (iii) certain “related parties” of the Offeror or of any other “interested party” (in each case within the meaning of MI 61-101) including any director or senior officer of the Offeror, affiliate or insider of the Offeror or any of their directors or senior officers; and (iv) any “joint actor” (within the meaning of MI 61-101) with any of the foregoing persons. MI 61-101 also provides that the Offeror may treat Common Shares acquired under the Offer as “minority” shares and to vote them, or to consider them voted, in favour of such business combination if, among other things: (a) the business combination is completed not later than 120 days after the Expiry Time; (b) the consideration per security in the business combination is at least equal in value to and in the same form as the consideration paid under the Offer; and (c) the Shareholder who tendered such Common Shares to the Offer was not: (i) a “joint actor” (within the meaning of MI 61-101) with the Offeror in respect of the Offer; (ii) a direct or indirect party to any “connected transaction” (within the meaning of MI 61-101) to the Offer; or (iii) entitled to receive, directly or indirectly, in connection with the Offer, a “collateral benefit” (within the meaning of MI 61-101) or consideration per Common Share that is not identical in amount and form to the entitlement of the general body of holders in Canada of Common Shares. The Offeror currently intends that the consideration offered for Common Shares under any Subsequent Acquisition Transaction proposed by it would be at least equal in value to and is in the same form as the consideration paid to Shareholders under the Offer and that such Subsequent Acquisition Transaction will be completed no later than 120 days after the Expiry Time and, accordingly, the Offeror intends to cause Common Shares acquired under the Offer to be voted in favour of any such transaction and, where permitted by MI 61-101, to be counted as part of any minority approval required in connection with any such transaction.

Any such Subsequent Acquisition Transaction may also result in Shareholders having the right to dissent in respect thereof and demand payment of the fair value of their Common Shares pursuant to the BCA. The exercise of such right of dissent, if certain procedures are complied with by the holder, could lead to a judicial determination of fair value required to be paid to such Dissenting Offeree for its Common Shares. The fair value so determined could be more or less than the amount paid per Common Share pursuant to such transaction or pursuant to the Offer. The exact terms and procedures of the rights of dissent available to Shareholders will depend on the structure of the Subsequent Acquisition Transaction and will be fully described in the proxy circular or other disclosure document provided to Shareholders in connection with the Subsequent Acquisition Transaction.

Whether or not a Subsequent Acquisition Transaction will be proposed, and the details of any such Subsequent Acquisition Transaction, including, without limitation, the timing of its implementation and the consideration to be received by the minority Shareholders, will necessarily be subject to a number of considerations, including, without limitation, the number of Common Shares acquired pursuant to the Offer. Although the Offeror may propose a Compulsory Acquisition or a Subsequent Acquisition Transaction on the same terms as the Offer, it is possible that, as a result of the number of Common Shares acquired under the Offer, delays in the Offeror’s ability to effect such a transaction, information hereafter obtained by the Offeror, changes in general economic, industry, regulatory or market conditions or in the business of Apivio, or other currently unforeseen circumstances, such a transaction may not be so proposed or may be delayed or abandoned. The Offeror expressly reserves the right to propose other means of acquiring, directly or indirectly, all of the outstanding Common Shares in accordance with applicable Law, including, without limitation, a Subsequent Acquisition Transaction on terms not described in this Circular.

If the Offeror is unable to, or determines at its option not to, effect a Compulsory Acquisition or propose a Subsequent Acquisition Transaction, or proposes a Subsequent Acquisition Transaction but cannot obtain any required approvals or exemptions promptly, the Offeror will evaluate its other alternatives. Such alternatives could include, to the extent permitted by applicable Law, purchasing additional Common Shares in the open market, in privately negotiated transactions, in another take-over bid or exchange offer or otherwise, or from Apivio. Subject to applicable Law, any additional purchases of Common Shares could be at a price greater than, equal to, or less than the price to be paid for Common Shares under the Offer and could be for cash, securities and/or other consideration. Alternatively, the Offeror may take no action to acquire additional Common Shares, or, subject to applicable Law, may either sell or otherwise dispose of any or all Common Shares acquired under the Offer, on terms and at prices then determined by the Offeror, which may vary from the price paid for Common Shares under the Offer. See Section 12 of the Offer to Purchase, “Market Purchases and Sales of Common Shares”.

The tax consequences to a Shareholder of a Subsequent Acquisition Transaction may differ from the tax consequences to such Shareholder of accepting the Offer. See Section 17 of the Circular, “Certain Canadian Federal Income Tax Considerations”, and Section 18 of the Circular, “Certain United States Federal Income Tax Considerations”. Shareholders should consult their legal advisors for a determination of their legal rights and the tax consequences to them, having regard to their own particular circumstances with respect to a Subsequent Acquisition Transaction.

### ***Legal Matters***

Shareholders should consult their legal advisors for a determination of their legal rights with respect to any transaction that may constitute a business combination.

### **13. Agreements, Commitments or Understandings**

There are no agreements, commitments or understandings made or proposed to be made between the Offeror or Nuri and any of the directors or officers of Apivio, including for any payment or other benefit proposed to be made or given by way of compensation for loss of office or their remaining in or retiring from office if the Offer is successful.

There are no agreements, commitments or understandings between the Offeror and Apivio or Nuri and Apivio relating to the Offer and other than as set out below. The Offeror and Nuri are not aware of any agreement, commitment or understanding that could affect control of Apivio.

### **14. Lock-Up Agreements**

From January 10, 2017 to January 16, 2017, the Offeror entered into the Lock-Up Agreements with the Locked-Up Shareholders, one of which is the founder and former CEO of Moimstone, and former board member of Apivio, C.W. Lee. The total number of Common Shares subject to the Lock-Up Agreements represents approximately 10.69% of the issued and outstanding Common Shares.

The following is a summary of the principal terms of the Lock-Up Agreements. It does not purport to be complete and is qualified in its entirety by reference to the full text of the Lock-Up Agreements, which have been filed by the Offeror with applicable Securities Regulatory Authorities in Canada are available on SEDAR at [www.sedar.com](http://www.sedar.com).

Under the Lock-Up Agreements, each of the Locked-Up Shareholders has agreed, subject to certain exceptions, to accept the Offer by depositing the Common Shares presently owned or controlled by the Locked-Up Shareholder (including any other Common Shares directly or indirectly acquired by or issued to such Locked-Up Shareholder after the date of the applicable Lock-Up Agreement) in accordance with the terms and conditions of the Offer. In addition, the Locked-Up Shareholders have, subject to certain exceptions, agreed not to sell or transfer any of their Common Shares and not to exercise any statutory or other rights of withdrawal in respect of the Offer.

The Shareholders who have entered into the Lock-Up Agreements may terminate their obligations under the Lock-Up Agreements in certain circumstances, including to permit them to tender their Common Shares to a competing transaction offered to Shareholders that represents a higher value transaction to Shareholders than the Offer, provided the Offeror is given an opportunity to match the other transaction and declines to do so.

### **15. Regulatory Matters**

Except as discussed below, to the knowledge of the Offeror or Nuri, no authorization, consent or approval of, or filing with, any public body, court or authority is necessary on the part of the Offeror or Nuri for the consummation of the transactions contemplated by the Offer, except for such authorizations, consents, approvals and filings the failure to obtain or make which would not, individually or in the aggregate, prevent or materially delay consummation of the transactions contemplated by the Offer. In the event that the Offeror or Nuri become aware of other requirements, they will make reasonable commercial efforts to satisfy such requirements at or prior to the Expiry Time, as such time may be extended.

## *Competition Laws*

Based upon an examination of publicly available information relating to the business of Apivio, the Offeror does not expect the Offer, any Compulsory Acquisition or any Subsequent Acquisition Transaction, as applicable, to give rise to material competition/anti-trust concerns in any jurisdiction. However, the Offeror cannot be certain that no such concerns will arise.

### *Competition Act*

Part IX of the Competition Act requires that the parties to certain classes of transactions provide prescribed information to the Commissioner where the applicable thresholds set out in Sections 109 and 110 of the Competition Act are exceeded and no exemption applies (“**Notifiable Transactions**”). Exemptions to the Notifiable Transactions requirements exist in the Competition Act, including the size of parties and size of transaction thresholds set forth in sections 109 and 110. The current 2016 threshold under section 110 is \$87 million and may increase in early 2017.

Subject to certain limited exceptions, a Notifiable Transaction cannot be completed until the parties to the transaction have each submitted the information prescribed pursuant to subsection 114(1) of the Competition Act (a “**Notification**”) to the Commissioner and the applicable waiting period has expired or been waived or terminated early by the Commissioner. If a proposed transaction is an unsolicited offer to acquire the shares of a corporation and the Commissioner receives the offeror’s Notification, the Commissioner is required under subsection 114(3) of the Competition Act to immediately notify the corporation whose shares the offeror proposes to acquire that the Commissioner has received the offeror’s Notification, and such corporation must supply its Notification within ten days thereafter.

The waiting period is 30 days after the day on which the parties to the transaction submit their respective Notifications, except in the case of an unsolicited offer where, pursuant to subsection 123(3) of the Competition Act, the period begins on the date on which the offeror submits its Notification. The parties are, or the offeror in an unsolicited offer is, entitled to complete the Notifiable Transaction at the end of the 30-day period, unless the Commissioner notifies the parties (or the offeror in an unsolicited offer), pursuant to subsection 114(2) of the Competition Act, that he requires additional information that is relevant to the Commissioner’s assessment of the transaction (a “**Supplementary Information Request**”). In the event that the Commissioner provides the parties with a Supplementary Information Request, the Notifiable Transaction cannot be completed until 30 days after compliance with such Supplementary Information Request, provided that there is no order issued by the Competition Tribunal in effect prohibiting completion at the relevant time. In the case of an unsolicited offer, the 30-day period following compliance with the Supplementary Information Request begins on the day after the offeror’s compliance with the Supplementary Information Request.

The parties to a transaction are legally entitled to complete their transaction: (i) upon expiry of the applicable statutory waiting period; (ii) upon the Commissioner’s issuance of an advance ruling certificate pursuant to Section 102 of the Competition Act (an “**ARC**”); or (iii) upon the Commissioner’s issuance of a letter indicating that he does not, at that time, intend to challenge the transaction by making an application to the Competition Tribunal under Section 92 of the Competition Act while reserving the Commissioner’s statutory right to challenge the transaction before the Competition Tribunal at any time within one year of the transaction being completed (a “**No-Action Letter**”) together with either, (A) expiry of the applicable statutory waiting period, or (B) waiver of the Notification requirement and, accordingly, the applicable waiting period.

At any time before a “merger” (as such term is defined under the Competition Act) is completed, even where the Commissioner has been notified under subsection 114(1) of the Competition Act and the applicable waiting period has expired, the Commissioner may apply to the Competition Tribunal for an interim order under subsection 100(1) of the Competition Act forbidding any person named in the application from doing any act or thing where it appears to the Competition Tribunal that such act or thing may constitute or be directed toward the completion or implementation of a proposed merger. The Competition Tribunal may issue such order for up to 30 days where: (i) the Commissioner has certified that an inquiry is being made under paragraph 10(1)(b) of the Competition Act and that, in his opinion, more time is required to complete the inquiry; and (ii) the Competition Tribunal finds that, in the absence of an interim order, a party to the proposed merger or any other person is likely to take an action that would substantially impair the ability of the Competition Tribunal to remedy the effect of the proposed merger on competition under Section 92 of the Competition Act because that action would be difficult to reverse. The duration

of such interim order may be extended for a period of up to an additional 30 days where the Competition Tribunal finds, on application made by the Commissioner that the Commissioner is unable to complete the inquiry within the period specified in the order because of circumstances beyond the control of the Commissioner.

Whether or not a merger is subject to notification under Part IX of the Competition Act, the Commissioner can apply to the Competition Tribunal for a remedial order under Section 92 of the Competition Act at any time before the merger has been completed or, if completed, within one year after it was substantially completed, provided that the Commissioner did not issue an ARC in respect of the merger, or, if the Commissioner did issue an ARC in respect of the merger, provided that: (i) the merger was completed within one year from when the ARC was issued; and (ii) the grounds upon which the Commissioner intends to apply to the Competition Tribunal for a remedial order are not the same or substantially the same as the information on the basis of which the ARC was issued. On application by the Commissioner under Section 92 of the Competition Act, the Competition Tribunal may, where it finds that the merger prevents or lessens, or is likely to prevent or lessen, competition substantially, order that the merger not proceed or, if completed, order its dissolution or the disposition of assets or shares involved in such merger; in addition to, or in lieu thereof, with the consent of the person against whom the order is directed and the Commissioner, the Competition Tribunal may order a person to take any other action. The Competition Tribunal is prohibited from issuing a remedial order where it finds that the merger or proposed merger has brought or is likely to bring about gains in efficiency that will be greater than, and will offset, the effects of any prevention or lessening of competition that will result or is likely to result from the merger and that the gains in efficiency would not likely be attained if the order were made.

The Offeror and Nuri believe that the transactions contemplated by the Offer do not constitute a Notifiable Transaction but do constitute a “merger” under the Competition Act. The obligation of the Offeror to complete the Offer is, among other things, subject to the condition that no action is taken under the Competition Act to restrain the transaction. See Section 4 of the Offer to Purchase, “Conditions of the Offer”.

### ***Investment Canada Act***

As a foreign entity, Nuri and the Offeror will be required to file a Notification under the ICA in respect of the Offeror’s investment into Apivio; however, they do not believe the proposed transactions are reviewable under the ICA due to the thresholds under that Act and there being no known national security concerns. Notification can be filed under the ICA at any time prior to or within 30 days after closing of the initial acquisition under the Offer.

### **16. Effect of the Offer on the Market for and Listing of Common Shares and Status as a Reporting Issuer**

The purchase of Common Shares by the Offeror under the Offer will reduce the number of Common Shares that might otherwise trade publicly and will reduce the number of Shareholders and, depending on the number of Common Shares acquired by the Offeror, could materially adversely affect the liquidity and market value of any remaining Common Shares held by the public.

The rules and regulations of the TSXV establish certain criteria which, if not met, could, upon successful completion of the Offer, lead to the delisting of the Common Shares from the TSXV. Depending on the number of Common Shares purchased by the Offeror under the Offer or otherwise, it is possible that the Common Shares would fail to meet the criteria for continued listing on the TSXV. If this were to happen, the Common Shares could be delisted and this could, in turn, adversely affect the market or result in a lack of an established market for the Common Shares. If the Offeror proceeds with a Compulsory Acquisition or a Subsequent Acquisition Transaction, the Offeror may cause Apivio to apply to delist the Common Shares from the TSXV after completion of the Offer and any Compulsory Acquisition or any Subsequent Acquisition Transaction. If the Common Shares are delisted from the TSXV, the extent of the public market for the Common Shares and the availability of price or other quotations would depend upon the number of Shareholders, the number of Common Shares publicly held and the aggregate market value of the Common Shares publicly held at such time, the interest in maintaining a market in Common Shares on the part of securities firms, whether Apivio remains subject to public reporting requirements in Canada and other factors.

The Common Shares are not currently registered under the U.S. Exchange Act or listed or quoted on a stock exchange in the United States.

## 17. Certain Canadian Federal Income Tax Considerations

The following summary describes the principal Canadian federal income tax considerations generally applicable to a beneficial owner of Common Shares who disposes of Common Shares pursuant to the Offer, a Compulsory Acquisition or a Subsequent Acquisition Transaction and who, at all relevant times, for the purposes of the *Income Tax Act* (Canada) and the Income Tax Regulations (collectively, the “**Tax Act**”): (i) deals at arm’s length with Apivio and the Offeror; (ii) is not affiliated with Apivio or the Offeror; and (iii) holds the Common Shares as capital property (a “**Holder**”). Generally, the Common Shares will be capital property to a Holder provided the Holder does not hold those Common Shares in the course of carrying on a business or as part of an adventure or concern in the nature of trade.

This summary does not address all issues relevant to Shareholders who acquired their Common Shares on the exercise of an Option. In addition, this summary assumes that any person that held or holds at any time Convertible Securities or other rights to acquire Common Shares will have exercised, exchanged or converted such Convertible Securities or otherwise exercised such rights to receive Common Shares and this summary does not address the tax consequences of such exercise, exchange or conversion. This summary does not otherwise address persons who hold Convertible Securities or such other rights and such Persons should consult their own tax advisors with respect to the Canadian income tax consequences to them of the expiry, exercise or conversion of, the continued holding of, replacement or disposition of, after the Expiry Time, such Convertible Securities or other rights, as applicable, and of the acquisition, holding and disposing of Common Shares or any other securities in respect thereof, which may differ materially from the discussion provided in this summary.

This summary is based on the current provisions of the Tax Act and on the Offeror’s understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (“**CRA**”) published in writing prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Proposed Amendments**”) and assumes that all Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed or at all. This summary does not otherwise take into account or anticipate any changes in Law or administrative policy or assessing practice, whether by legislative, administrative or judicial action, nor does it take into account tax legislation or considerations of any province, territory or foreign jurisdiction, which may differ from those described herein.

This summary is of a general nature only and is not, and is not intended to be, legal or tax advice to any particular Shareholder. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, Shareholders should consult their own tax advisors having regard to their own particular circumstances.

### *Holders Resident in Canada*

This portion of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the Tax Act and any applicable income tax convention is, or is deemed to be, resident in Canada (a “**Resident Holder**”). Certain Resident Holders may be entitled to make or may have already made the irrevocable election permitted by subsection 39(4) of the Tax Act, the effect of which may be to deem to be capital property any Common Shares (and any other “Canadian security”, as defined in the Tax Act) owned by such Resident Holder in the taxation year in which the election is made and in all subsequent taxation years. Resident Holders whose Common Shares might not otherwise be considered to be capital property should consult their own tax advisors concerning this election.

This portion of the summary is not applicable to: (i) a Shareholder that is a “specified financial institution”; (ii) a Shareholder an interest in which is a “tax shelter investment”; (iii) a Shareholder that is, for purposes of certain rules (referred to as the mark-to-market rules) applicable to securities held by financial institutions, a “financial institution”; (iv) a Shareholder that reports its “Canadian tax results” in a currency other than Canadian currency; or (v) a Shareholder that has entered into, with respect to their Common Shares, a “derivative forward agreement”, each as defined in the Tax Act. Such Shareholders should consult their own tax advisors.

### *Sale Pursuant to the Offer*

Generally, a Resident Holder who disposes of Common Shares pursuant to the Offer will realize a capital gain (or capital loss) equal to the amount, if any, by which the proceeds of disposition, net of any reasonable costs of

disposition, exceed (or are less than) the adjusted cost base to the Resident Holder of the Common Shares immediately before the disposition.

Generally, a Resident Holder is required to include in computing its income for a taxation year one-half of the amount of any capital gain (a “**taxable capital gain**”) realized in the year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder is required to deduct one-half of the amount of any capital loss (an “**allowable capital loss**”) realized in a taxation year from taxable capital gains realized by the Resident Holder in the year and allowable capital losses in excess of taxable capital gains for the year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years.

The amount of any capital loss realized by a Resident Holder that is a corporation on the disposition of a Common Share may be reduced by the amount of any dividends received (or deemed to be received) by the Resident Holder on such Common Share (or another share where the Common Share has been acquired in exchange for such other share) to the extent and under the circumstances prescribed by the Tax Act. Similar rules may apply where a Common Share is owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

A Resident Holder that is throughout the relevant taxation year a “Canadian-controlled private corporation” as defined in the Tax Act may be liable for an additional refundable tax under the Tax Act of 10 ⅔% on certain investment income for the year including taxable capital gains.

Capital gains realized by individuals or a trust, other than certain specified trusts, may give rise to alternative minimum tax under the Tax Act. Resident Holders should consult their own tax advisors with respect to the potential application of alternative minimum tax.

### ***Compulsory Acquisition***

As described in Section 12 of the Circular, “Acquisition of Common Shares Not Deposited — Compulsory Acquisition”, the Offeror may, in certain circumstances, acquire Common Shares not deposited under the Offer pursuant to statutory rights of purchase under Part 9 of the BCA (defined above as a “**Compulsory Acquisition**”). The tax consequences to a Resident Holder of a disposition of Common Shares in such circumstances will generally be as described under “Sale Pursuant to the Offer” herein. However, where a Resident Holder exercises their right to go to court for a determination of fair value in a Compulsory Acquisition and is entitled to receive the fair value of their Common Shares, the proceeds of disposition will be the amount (other than interest) determined by the court and the Resident Holder will be required to include in computing its income any interest awarded by a court in connection with a Compulsory Acquisition.

### ***Subsequent Acquisition Transaction***

As described in Section 12 of the Circular, “Acquisition of Common Shares Not Deposited — Subsequent Acquisition Transaction”, if the Offeror does not acquire all of the Common Shares pursuant to the Offer or by means of a Compulsory Acquisition, the Offeror may propose other means of acquiring the remaining issued and outstanding Common Shares. The tax treatment of a Subsequent Acquisition Transaction to a Resident Holder will depend upon the exact manner in which the Subsequent Acquisition Transaction is carried out.

It is not practical to comment as to the tax treatment of a Subsequent Acquisition Transaction to a Resident Holder except in very general terms. However, the Canadian federal income tax consequences of a Subsequent Acquisition Transaction may differ from those arising on the disposition of Common Shares under the Offer and will depend on the particular form and circumstances of such Subsequent Acquisition Transaction. For example, a Resident Holder may, as a result of a Subsequent Acquisition Transaction, realize a capital gain or capital loss, be deemed to receive a dividend or incur both results. No opinion is expressed herein as to the Canadian federal income tax consequences of any such Subsequent Acquisition Transaction to a Resident Holder.

**Resident Holders should consult their own tax advisors with respect to the potential income tax consequences to them of having their Common Shares acquired pursuant to a Subsequent Acquisition Transaction.**

### ***Qualified Investment Status – Delisting of Common Shares Following Completion of the Offer***

As noted above under Section 16 of the Circular, “Effect of the Offer on the Market for and Listing of Common Shares and Status as a Reporting Issuer”, the Common Shares may cease to be listed on the TSXV. If the Common Shares cease to be listed on any designated stock exchange (which includes the TSXV) and Apivio ceases to be a “public corporation” for purposes of the Tax Act, the Common Shares will not be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, registered disability savings plan, deferred profit sharing plans and tax-free savings accounts. Any such trust, or its annuitant, beneficiary, or holder, could be subject to taxes and penalties under the Tax Act if the trust holds a non-qualified investment. Each such trust (or its annuitant, beneficiary, or holder) should consult the Person’s own tax advisors to consider whether a Compulsory Acquisition or a Subsequent Acquisition Transaction may give rise to the holding by any such trust of a non-qualified investment or prohibited investment.

**Resident Holders should consult their own tax advisors in this respect.**

### ***Holdings Not Resident in Canada***

This portion of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the Tax Act is not, and is not deemed to be, resident in Canada, and does not use or hold, and is not deemed to use or hold, the Common Shares in a business carried on in Canada (a “**Non-Resident Holder**”). Special rules, which are not discussed in this summary, may apply to certain holders that are insurers carrying on an insurance business in Canada and elsewhere or that are “authorized foreign banks” as defined in the Tax Act.

### ***Sale Pursuant to the Offer***

A Non-Resident Holder will not be subject to tax under the Tax Act on any capital gain realized on a disposition of Common Shares, unless the Common Shares are “taxable Canadian property” to the Non-Resident Holder for purposes of the Tax Act and the Common Shares are not “treaty-protected property” of the Non-Resident Holder for purposes of the Tax Act.

Generally, the Common Shares will not constitute taxable Canadian property to a Non-Resident Holder at the time of disposition provided that the Common Shares are listed at that time on a designated stock exchange (which includes the TSXV) unless at any particular time during the 60-month period that ends at that time the following two conditions have been met concurrently: (i) one or any combination of, (A) the Holder, (B) Persons with whom the Holder does not deal with at arm’s length, and (C) partnerships in which the Holder or a Person described with whom the Holder does not deal with at arm’s length holds a membership interest directly or indirectly through one or more partnerships, owned 25% or more of the issued shares of any class or series of the capital stock of Apivio; and (ii) more than 50% of the fair market value of the Common Shares derived directly or indirectly from one or any combination of, (A) real or immovable properties situated in Canada, (B) “Canadian resource properties” (as defined in the Tax Act), (c) “timber resource properties” (as defined in the Tax Act), and (d) options in respect of, or interests in, or for civil law rights in, property in any of the foregoing whether or not the property exists. Notwithstanding the foregoing, in certain circumstances set out in the Tax Act, Common Shares could be deemed to be taxable Canadian property.

Even if the Common Shares are taxable Canadian property to a Non-Resident Holder, a taxable capital gain resulting from the disposition of the Common Shares will not be included in computing the Non-Resident Holder’s taxable income earned in Canada for the purposes of the Tax Act if, at the time of the disposition, the Common Shares constitute “treaty-protected property” of the Non-Resident Holder for purposes of the Tax Act. Common Shares will generally be considered “treaty-protected property” of a Non-Resident Holder for purposes of the Tax Act at the time of the disposition if the gain from their disposition would, because of an applicable income tax treaty between Canada and the country in which the Non-Resident Holder is resident for purposes of such treaty and in respect of which the Non-Resident Holder is entitled to receive benefits thereunder, be exempt from tax under the Tax Act.

Non-Resident Holders whose Common Shares are taxable Canadian property should consult their own tax advisors for advice having regard to their particular circumstances, including whether their Common Shares constitute treaty-protected property.

### ***Compulsory Acquisition***

Subject to the discussion below under “Delisting of Common Shares Following Completion of the Offer”, a Non-Resident Holder will not be subject to income tax under the Tax Act on a disposition of Common Shares pursuant to the Offeror’s statutory rights of purchase described under Section 12 of the Circular, “Acquisition of Common Shares Not Deposited — Compulsory Acquisition” unless the Common Shares are “taxable Canadian property” to the Non-Resident Holder for purposes of the Tax Act and the Common Shares are not “treaty-protected property” of the Non-Resident Holder for purposes of the Tax Act. Any interest awarded by a court and paid or credited to a Non-Resident Holder exercising its rights described under “Acquisition of Common Shares Not Deposited — Compulsory Acquisition” will not be subject to Canadian withholding tax provided the interest is not “participating debt interest” as defined in the Tax Act.

**Non-Resident Holders whose Common Shares are taxable Canadian property should consult their own tax advisors for advice having regard to their particular circumstances, including whether their Common Shares constitute treaty-protected property.**

### ***Subsequent Acquisition Transaction***

As described in Section 12 of the Circular, “Acquisition of Common Shares Not Deposited — Subsequent Acquisition Transaction”, if the Offeror does not acquire all of the Common Shares pursuant to the Offer or by means of a Compulsory Acquisition, the Offeror may propose other means of acquiring the remaining issued and outstanding Common Shares. The tax treatment of a Subsequent Acquisition Transaction to a Non-Resident Holder will depend upon the exact manner in which the Subsequent Acquisition Transaction is carried out and may be substantially the same as, or materially different from, those described above.

A Non-Resident Holder may, as a result of a Subsequent Acquisition Transaction, realize a capital gain or a capital loss, be deemed to receive a dividend or incur both results as discussed above under “– Holders Resident in Canada – Subsequent Acquisition Transaction”. Capital gains and capital losses realized by a Non-Resident Holder in connection with a Subsequent Acquisition Transaction will generally be subject to taxation as described above under “Holders Not Resident in Canada – Sale Pursuant to the Offer” except that in determining whether a Common Share is “taxable Canadian property”, more stringent rules may be applied where the Common Shares cease to be listed on a designated stock exchange (see – Holders Not Resident in Canada – Delisting of Common Shares Following Completion of the Offer”).

Dividends, including deemed dividends, on Common Shares owned by a Non-Resident Holder will be subject to Canadian withholding tax at a rate of 25%, subject to any reduction in the rate of withholding to which the Non-Resident Holder is entitled under any applicable income tax convention. For example, under the Canada-U.S. Income Tax Convention (1980) (the “**Convention**”), where dividends are paid to or derived by a Non-Resident Holder who is the beneficial owner of the dividends and is a U.S. resident for purposes of, and who is entitled to benefits in accordance with the provisions of, the Convention, the applicable rate of Canadian withholding tax is generally reduced to 15%.

**Non-Resident Holders should consult their own tax advisors with respect to the potential income tax consequences to them of having their Common Shares acquired pursuant to a Subsequent Acquisition Transaction.**

### ***Delisting of Common Shares Following Completion of the Offer***

As noted above under Section 16 of the Circular, “Effect of the Offer on the Market for and Listing of Common Shares and Status as a Reporting Issuer”, the Common Shares may cease to be listed on the TSXV following the completion of the Offer and may not be listed on the TSXV or any other stock exchange at the time of their disposition pursuant to a Compulsory Acquisition or a Subsequent Acquisition Transaction.

Non-Resident Holders who do not dispose of their Common Shares pursuant to the Offer are cautioned that, the Common Shares may cease to be listed on the TSXV following the completion of the Offer (as noted above under “Effect of the Offer on the Market for and Listing of Common Shares and Status as a Reporting Issuer”) and may not be listed on the TSXV or any other stock exchange at the time of their disposition pursuant to a Compulsory Acquisition or a Subsequent Acquisition Transaction.

Common Shares that are not listed on a designated stock exchange at the time of their disposition will be considered taxable Canadian property of the Non-Resident Holder, if at any particular time during the 60-month period that ends at that time more than 50% of the fair market value of the Common Shares was derived directly or indirectly from one or any combination of: (i) real or immovable properties situated in Canada; (ii) “Canadian resource properties” (as defined in the Tax Act); (iii) “timber resource properties” (as defined in the Tax Act); and (iv) options in respect of, or interests in, or for civil rights in, property in any of the foregoing whether or not the property exists. Notwithstanding the foregoing, in certain circumstances set out in the Tax Act, Common Shares could be deemed to be taxable Canadian property.

If the Common Shares are taxable Canadian property of the Non-Resident Holder at the time of their disposition and are not “treaty-protected property” of the Non-Resident Holder for purposes of the Tax Act, the Non-Resident Holder may be subject to tax under the Tax Act in respect of any capital gain realized on the disposition. Furthermore, if the Common Shares are not listed on a recognized stock exchange (as defined in the Tax Act) at the time of their disposition, the notification and, in certain circumstances, the withholding provisions of section 116 of the Tax Act will apply to the Non-Resident Holder with the result that, among other things, unless the Offeror has received a clearance certificate, pursuant to section 116 of the Tax Act, relating to the disposition of a Non-Resident Holder’s Common Shares, or evidence, satisfactory to the Offeror, that the Common Shares are “treaty-protected property” of the Non-Resident Holder, the Offeror will deduct or withhold 25% from any payments made to the Non-Resident Holder and will remit such amount to the Receiver General on account of the Non-Resident Holder’s liability for tax under the Tax Act.

A Non-Resident Holder who disposes of taxable Canadian property may be required to file a Canadian income tax return for the year in which the disposition occurs.

**Non-Resident Holders should consult their own tax advisors with respect to the potential income tax consequences to them of having their Common Shares acquired pursuant to a Subsequent Acquisition Transaction.**

## **18. Certain United States Federal Income Tax Considerations**

The following is a general discussion of certain material United States federal income tax considerations applicable to U.S. Shareholders (as defined below) with respect to the disposition of Common Shares pursuant to the Offer (or a Compulsory Acquisition). This summary is based upon the United States Internal Revenue Code of 1986, as amended (the “Code”), Treasury Regulations, administrative pronouncements, and judicial decisions, in each case as in effect on the date hereof, all of which are subject to change (possibly with retroactive effect). No ruling from the U.S. Internal Revenue Service (the “IRS”) will be requested regarding the tax consequences of the Offer (or a Compulsory Acquisition) and there can be no assurance that the IRS will agree with the discussion set out below. The discussion does not address aspects of U.S. federal taxation other than income taxation, nor does it address aspects of U.S. federal income taxation that may be applicable to particular Shareholders, including but not limited to Shareholders who are dealers in securities or currencies or traders in securities that elect to apply a mark-to-market accounting method, life insurance companies, tax-exempt organizations, qualified retirement plans, individual retirement accounts or other tax deferred accounts, financial institutions, real estate investment trusts, regulated investment companies, U.S. expatriates, persons who hold Common Shares through partnerships or other pass-through entities, persons who own, directly, indirectly or constructively, 10% or more, by voting power or value, of the outstanding Common Shares of Apivio, persons whose functional currency is not the U.S. dollar or who acquired their Common Shares in a compensatory transaction, persons who hold Common Shares as part of a straddle, hedge, constructive sale or other integrated transaction for tax purposes, and persons subject to the alternative minimum tax provisions of the Code. This summary is limited to persons who hold their Common Shares as a “capital asset” within the meaning of Section 1221 of the Code. This discussion does not address the U.S. federal income tax consequences to holders of options to purchase Common Shares or holders of other Convertible Securities who exchange such Convertible Securities into Common Shares. In addition, it does not address U.S. estate or gift tax, state, local or non-U.S. tax consequences. U.S. Shareholders are urged to consult their tax advisors with respect to the U.S. federal, state, local and non-U.S. tax consequences of the Offer (or a Compulsory Acquisition) or other transactions described in Section 12 of the Circular, “Acquisition of Common Shares Not Deposited” to such holder having regard to their particular circumstances.

As used herein, the term “U.S. Shareholder” means a beneficial owner of Common Shares that is, for U.S. federal income tax purposes: (i) an individual citizen or resident of the United States; (ii) a corporation, or other entity classified as a corporation for U.S. federal income tax purposes, that is created or organized in or under the Laws of the United States, any state in the U.S.; or the District of Columbia; (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust if, (A) a U.S. court is able to exercise primary supervision over the administration of such trust and one or more U.S. persons have the authority to control all substantial decisions of such trust, or (B) such trust has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person.

This discussion does not address the U.S. federal income tax considerations with respect to non-U.S. Shareholders arising from the disposition of Common Shares. A “non-U.S. Shareholder” is a beneficial owner of Common Shares that is not a U.S. Shareholder.

If a partnership (or other entity treated as a partnership for United States federal income tax purposes) holds Common Shares and participates in the Offer, the United States federal income tax treatment of a partner (or member of such other entity) will generally depend on the status of the partner and the activities of the partnership (or other entity). A partner in a partnership (or member of such other entity) holding Common Shares should consult its tax advisor with regard to the United States federal income tax treatment of participating in the Offer.

The following discussion is for general information only and is not intended to be, nor should it be construed to be, legal or tax advice to any Shareholder, and no representation with respect to the tax consequences to any Shareholder is made. Shareholders are urged to consult their tax advisors with respect to the tax considerations relevant to them, having regard to their particular circumstances.

#### ***Disposition of Common Shares Pursuant to the Offer***

Subject to the discussion in “Currency Translation” and “Passive Foreign Investment Companies” below, a U.S. Shareholder who sells Common Shares in the Offer (or a Compulsory Acquisition) generally will recognize capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the U.S. dollar or the U.S. dollar value of the amount received (which amount will not be reduced by any related Canadian taxes paid by the U.S. Shareholder directly or by withholding, but will exclude amounts, if any, received in a Compulsory Acquisition that are or are deemed to be interest for United States federal income tax purposes, which would be treated as ordinary income) and the U.S. Shareholder’s adjusted tax basis in the Common Shares sold in the Offer (or a Compulsory Acquisition). In general, capital gain or loss recognized by non-corporate U.S. Shareholders will be subject to reduced rates if the Common Shares were held for more than one year at the time of sale. The deductibility of capital losses is subject to certain limitations.

#### ***Subsequent Acquisition Transaction***

If the Offeror is unable to effect a Compulsory Acquisition or if the Offeror elects not to proceed with a Compulsory Acquisition, then the Offeror may propose a Subsequent Acquisition Transaction as described in Section 12 of the Circular, “Acquisition of Common Shares Not Deposited”. The U.S. federal income tax consequences resulting therefrom will depend upon the manner in which the transaction is carried out. Generally, if a U.S. Shareholder receives solely cash in exchange for Common Shares, it is expected that the U.S. federal income tax consequences to the U.S. Shareholder will be substantially similar to the consequences described above. However, there can be no assurance that the U.S. federal income tax consequences of a Subsequent Acquisition Transaction will not be materially different. U.S. Shareholders should consult their tax advisors with respect to the income tax consequences to them of having their Common Shares acquired pursuant to a Subsequent Acquisition Transaction. This summary does not describe the tax consequences of any such transaction to a U.S. Shareholder.

#### ***Currency Translation***

The U.S. dollar value of Canadian dollars received by a U.S. Shareholder on an exchange of Common Shares pursuant to the Offer or a Compulsory Acquisition generally will be determined by reference to the spot rate of exchange on the date of the sale. However, if the Common Shares are treated as traded on an “established securities market” and the U.S. Shareholder is either a cash basis taxpayer or an accrual basis taxpayer that has made a special election (which election must be applied consistently from year to year and cannot be changed without the consent of the IRS), the U.S. Shareholder will determine the U.S. dollar value of the amount of the Canadian dollars

received based on the spot rate of exchange on the settlement date of the sale pursuant to the Offer (or a Compulsory Acquisition). If a U.S. Shareholder is an accrual basis taxpayer and does not make this special election, such holder generally will recognize foreign currency gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the U.S. dollar values of the Canadian dollars received determined by reference to the spot rates of exchange in effect on the date of the sale of Common Shares and on the settlement date of the sale of Common Shares. Any such foreign currency gain or loss generally will be treated as U.S. source ordinary income or loss. Alternative foreign currency gain or loss rules may apply to amounts, if any, received in a Compulsory Acquisition that may be deemed to be interest for U.S. federal income tax purposes. U.S. Shareholders that receive Canadian dollars pursuant to the Offer, should consult their tax advisors regarding the potential for foreign currency gain or loss in respect of the Offer, having regard to such Shareholders' particular circumstances.

### ***Foreign Tax Credits for Canadian Taxes Paid or Withheld***

A U.S. Shareholder that pays (directly or through withholding) Canadian income taxes in connection with the Offer (or a Compulsory Acquisition) may be entitled to claim a deduction or credit for U.S. federal income tax purposes, subject to a number of complex rules and limitations. Gain on the disposition of Common Shares generally will be U.S. source gain for foreign tax credit purposes. U.S. Shareholders should consult their tax advisors regarding the foreign tax credit implications of disposing of Common Shares in the Offer (or a Compulsory Acquisition).

### ***Passive Foreign Investment Companies***

In general, Apivio would be a passive foreign investment company (“**PFIC**”) if, for any taxable year, 75% or more of its gross income constituted “passive income” or 50% or more of its assets produced, or were held for the production of, passive income. “Passive income” generally includes, among other things, dividends, interest, certain royalties, rents, and gains from commodities and securities transactions and from the sale or exchange of property that gives rise to passive income. For purposes of the PFIC income and asset tests described above, if Apivio owns, directly or indirectly, 25% or more of the total value of the outstanding shares of a corporation, Apivio will be treated as if it: (i) held a proportionate share of the assets of such corporation; and (ii) received directly a proportionate share of the income of such corporation.

Neither the Offeror nor the Offeror's counsel has made any determination as to the current or historic PFIC status of Apivio. On March 28, 2011, Apivio indicated in a public filing that, as of that date, it believed that it was not, and did not expect to be, a PFIC for U.S. federal income tax purposes. Nevertheless, the determination of PFIC status of a corporation is fundamentally factual in nature, depends on the application of complex U.S. federal income tax rules which are subject to differing interpretations, and generally cannot be determined for each taxable year until the close of such year. Consequently, no assurance can be provided that Apivio has not been classified as a PFIC for any previous taxable year during which a U.S. Shareholder has held Common Shares or whether Apivio will be classified as a PFIC for its current taxable year.

If Apivio is or has been a PFIC at any time during a U.S. Shareholder's holding period and the U.S. Shareholder did not timely elect to be taxable currently on his or her pro rata share of Apivio's earnings under the “qualified electing fund” rules or to be taxed on a “mark to market” basis with respect to his or her Common Shares, any gain recognized by such U.S. Shareholder upon the disposition of Common Shares pursuant to the Offer generally would be allocated ratably to each day in the U.S. Shareholder's holding period for such Common Shares. The portion of such amounts allocated to the current tax year or to a year prior to the first year in which Apivio was a PFIC would be includible as ordinary income (rather than capital gains) in the current tax year. The portion of any such amounts allocated to the first year in the U.S. Shareholder's holding period in which Apivio was a PFIC and any subsequent year or years (excluding the current year) would be taxed at the highest marginal rate in effect for individuals or corporations in such taxable year, as appropriate, applicable to ordinary income (rather than capital gains) and would be subject to an interest charge.

**The PFIC rules may have a significant adverse effect on the U.S. federal income tax consequences of the Offer to a U.S. Shareholder. Accordingly, U.S. Shareholders should consult their tax advisors regarding the possible classification of Apivio as a PFIC, the potential effect of the PFIC rules to such holder, as well as the availability, and effect of any election that may be available under the PFIC rules, in each case, having regard to such holder's particular circumstances.**

### ***Additional Tax on Passive Income***

Certain U.S. Shareholders that are individuals, estates or trusts are generally required to pay an additional 3.8% tax on “net investment income” which generally includes, among other things, dividends and net gains from disposition of property (other than property held in the ordinary course of the conduct of a trade or business). U.S. Shareholders should consult their tax advisors regarding the applicability of this additional tax to capital gains recognized by such U.S. Shareholders with respect to their Common Shares in connection with the Offer (or a Compulsory Acquisition).

### ***Information Reporting and Backup Withholding***

Payments in respect of Common Shares may be subject to information reporting to the IRS. In addition, a U.S. Shareholder (other than certain exempt holders including, among others, corporations) may be subject to backup withholding (currently at a 28% rate) on cash payments received in connection with the Offer (or a Compulsory Acquisition).

Backup withholding will not apply, however, to a U.S. Shareholder who furnishes an accurate taxpayer identification number and otherwise complies with the applicable requirements of the information reporting and backup withholding rules. Backup withholding is not an additional tax. Rather, any amount withheld under the backup withholding rules will be creditable or refundable against the U.S. Shareholder’s United States federal income tax liability, provided the required information is furnished to the IRS in a timely manner. Each U.S. Shareholder should consult its tax advisor regarding the information reporting and backup withholding rules.

If Apivio is a PFIC, a U.S. Shareholder will generally be required to file IRS Form 8261 under certain circumstances prescribed in the instructions thereto including for the taxable year in which such U.S. Shareholder recognizes gain from the sale of Common Shares pursuant to the Offer (or a Compulsory Acquisition). In addition, certain U.S. persons that own “specified foreign financial assets”, including Common Shares which are not held in an account maintained by certain financial institutions, are generally required to file an information return on IRS Form 8938 with the IRS if the aggregate value of all of such assets exceeds US\$50,000. U.S. Shareholders should consult their tax advisors regarding the application of these rules to them in their particular circumstances.

## **19. Information Agent and Depositary**

The Offeror has engaged Laurel Hill as the Information Agent and Depositary to provide information to Shareholders in connection with the Offer and to receive deposits of certificates representing Common Shares and accompanying Letters of Transmittal deposited under the Offer at its office specified in the Letter of Transmittal. In addition, the Information Agent and Depositary will receive deposits of Notices of Guaranteed Delivery at its office specified in the Notice of Guaranteed Delivery. The Information Agent and Depositary will also be responsible for giving certain notices, if required by applicable Law, and for making payment for all Common Shares purchased by the Offeror under the Offer. The Information Agent and Depositary will also facilitate book-entry transfers of Common Shares. The Information Agent and Depositary will receive reasonable and customary compensation from the Offeror for its services in connection with the Offer, will be reimbursed for certain out-of-pocket expenses and will be indemnified against certain liabilities. The Information Agent and Depositary can be contacted within North America at 1-877-452-7184 or outside of North America at +1-416-304-0211 or by email at [assistance@laurelhill.com](mailto:assistance@laurelhill.com).

## **20. Financial Advisor, Dealer Manager and Soliciting Dealer Group**

PI Financial Corp. has been retained by the Offeror to act as financial advisor to the Offeror with respect to the Offer.

The Offeror may, in its sole discretion, also retain the services of PI Financial Corp. as dealer manager, or such other dealer manager as it determines, to form and manage a soliciting dealer group (the “**Soliciting Dealer Group**”) comprised of members of the Investment Industry Regulatory Organization of Canada and members of the TSXV to solicit acceptances of the Offer from persons who are resident in Canada on terms and conditions, including the payment of fees and reimbursement of expenses, as are customary in a retainer agreement for such services. Each member of the Soliciting Dealer Group, including the Dealer Manager, is referred to herein as a “Soliciting Dealer”.

The Offeror expects that if a dealer manager is engaged and/or a Soliciting Dealer Group is formed, then the Offeror will provide notice of such event by press release and/or such other means as the Offeror may determine. Investment advisors or registered representatives employed by soliciting dealers, if any, may solicit their clients to deposit or tender their Common Shares to the Offer. Soliciting Dealers may pay an investment advisor or registered representative a portion of the solicitation fee, if any, for each Common Share deposited or tendered to the Offer by clients of or served by the investment advisor or registered representative. The Offeror will not pay any fee with respect to deposits of Common Shares by Locked-Up Shareholders.

Shareholders will not be required to pay any fee or commission if they accept the Offer by depositing their Common Shares directly with the Information Agent and Depositary or if they make use of the services of a Soliciting Dealer to accept the Offer. Shareholders should contact the Information Agent and Depositary or a broker or dealer for assistance in accepting the Offer and depositing their Common Shares with the Information Agent and Depositary.

Except as set out herein, the Offeror has not agreed to pay any fees or commissions to any stockbroker, dealer or other person for soliciting tenders of Common Shares under the Offer; provided that the Offeror may make other arrangements with soliciting dealers, dealer managers or information agents, either within or outside Canada, for customary compensation during the Offer period if it considers it appropriate to do so.

## **21. Statutory Rights**

Securities legislation in the provinces and territories of Canada provides Shareholders with, in addition to any other rights they may have at Law, one or more rights of rescission, price revision or to damages, if there is a misrepresentation in a circular or notice that is required to be delivered to the Shareholders. However, such rights must be exercised within prescribed time limits. Shareholders should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult a lawyer.

## **22. Legal Matters**

The Offeror and Nuri are being advised in respect of certain Canadian matters concerning the Offer by Fasken Martineau DuMoulin LLP, counsel to the Offeror and Nuri.

## **23. Directors' Approval**

The contents of the Offer to Purchase and the Circular have been approved, and the sending of the Offer to Purchase and Circular to the Shareholders and holders of Convertible Securities have been authorized, by the sole director of the Offeror and the board of directors of Nuri.

**CERTIFICATE OF 1101324 B.C. LTD.**

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

DATED: January 17, 2017.

(signed) "Seok Won Yang"  
Director and Company Representative

**CERTIFICATE OF NURI TELECOM COMPANY LIMITED**

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

DATED: January 17, 2017.

\_\_\_\_\_  
(signed) "*Song Man Cho*"  
Director and Chairman and  
Chief Executive Officer

\_\_\_\_\_  
(signed) "*Myung Gwan Cho*"  
Director and Treasurer

On behalf of the board of directors

\_\_\_\_\_  
(signed) "*Seok Won Yang*"  
Controller and Corporate Secretary



**The Information Agent and Depositary for the Offer is:**



**North American Toll Free:** 1-877-452-7184  
**Calls Outside North America:** +1-416-304-0211  
**Email:** [assistance@laurelhill.com](mailto:assistance@laurelhill.com)

**By Mail:**  
PO Box 370, STN Adelaide  
Toronto, Ontario  
M5C 2J5

**By Registered Mail, Hand or Courier:**  
70 University Avenue, Suite 1440  
Toronto, Ontario, M5J 2M4

**Facsimile:** 1-416-646-2415

Questions and requests for assistance may be directed to the Information Agent and Depositary at the telephone numbers and location set out above.

To keep current with further developments and information about the Offer, visit [www.ApivioOffer.com](http://www.ApivioOffer.com).