

# SOLTEQ

## Listing of EUR 23,000,000 Notes Due 1 October 2024

### The notes are represented by units in denominations of EUR 20,000

On 1 October 2020 Solteq Plc (the “**Issuer**”) issued senior unsecured notes with a principal amount of EUR 23,000,000 (the “**Notes**”) based on the authorisation given by the Issuer’s Board of Directors on 15 September 2020. The Notes were offered for subscription in a minimum amount of EUR 100,000 through a book-building procedure that was carried out between 23 and 24 September 2020 (the “**Offering**”). The rate of interest of the Notes is 6.00 percent per annum. The Notes will be redeemed at their principal amount on 1 October 2024 (the “**Final Maturity Date**”), unless the Issuer prepays, redeems or purchases and cancels the Notes in accordance with the terms and conditions of the Notes (the “**Terms and Conditions**”).

This listing prospectus (this “**Prospectus**”) contains information on the Offering and the Notes. This Prospectus has been prepared solely for the purpose of the admission to listing of the Notes to trading on Nasdaq Helsinki Ltd (the “**Helsinki Stock Exchange**”) and does not constitute any offering of the Notes.

The Issuer has applied for the listing of the Notes on the official list of the Helsinki Stock Exchange (the “**Listing**”). Public trading in the Notes is expected to commence on or about 5 October 2020 under the trading code ‘STQJ600024’. The validity of this Prospectus expires when the Notes have been admitted to trading on the Helsinki Stock Exchange. The obligation to supplement the Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Prospectus is no longer valid.

Besides filing this Prospectus with the Finnish Financial Supervisory Authority (the “**FIN-FSA**”) for approval and making the listing application to Helsinki Stock Exchange, neither the Issuer nor the Lead Manager (as defined hereafter) have taken, nor will they take, any action which is intended to permit a public offer of the Notes or the distribution of this Prospectus or any other documents relating to the Notes in any other jurisdiction where any action for that purpose is required.

**The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) or under the securities laws of any state or other jurisdiction of the United States. The Notes may not be offered, sold, pledged or otherwise transferred directly or indirectly within the United States or to or for the account or benefit of U.S. Persons (as defined in Regulation S under the Securities Act) except to a person who is not a U.S. Person (as defined in Regulation S) in an offshore transaction pursuant to Regulation S.**

The Issuer or the Notes have not been assigned any credit ratings at the request or with the co-operation of the Issuer in the rating process.

An investment in the Notes involves certain risks, see “*Risk Factors*” in this Prospectus.

Lead Manager



## IMPORTANT INFORMATION

This Prospectus has been prepared in accordance with the Regulation (EU) 2017/1129 of the European Parliament and of the Council, as amended (the “**Prospectus Regulation**”), the Commission Delegated Regulation (EU) 2019/979, the Commission Delegated Regulation (EU) 2019/980, in application of the Annexes 8 and 16 thereof, the Finnish Securities Market Act (14.12.2012/746, as amended) (the “**Finnish Securities Market Act**”) and the regulations and guidelines of the FIN-FSA. The FIN-FSA, which is the competent authority for the purposes of the Prospectus Regulation and relevant implementing measures in Finland, has approved the Prospectus (journal number FIVA 45/02.05.04/2020) but assumes no responsibility for the correctness of the information contained herein. This Prospectus has been drawn up as a simplified prospectus in accordance with Article 14 of the Prospectus Regulation. The FIN-FSA has only approved this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and such approval shall not be considered as an endorsement of the qualities of the Notes nor the Issuer. Investors should make their own assessment as to the suitability of investing in the securities.

In this Prospectus, any reference to the “**Company**”, “**Solteq**” or “**Group**” means Solteq Plc and its subsidiaries on a consolidated basis, except where it is clear from the context that the term means Solteq Plc or a particular subsidiary. All references to the “**Issuer**” refer to Solteq Plc, except where the context may otherwise require.

This Prospectus has been prepared in English only. In accordance with Article 7 of the Prospectus Regulation the summary has been prepared in English and translated into Finnish. The Finnish translation of the summary has not been approved by the FIN-FSA.

This Prospectus should be read in conjunction with all documents which are deemed to be incorporated herein by reference and shall be read and construed on the basis that such documents are incorporated into and form part of this Prospectus. See “*Information Incorporated by Reference*”.

Danske Bank A/S (the “**Lead Manager**”) has acted exclusively for Solteq as the lead manager of the Offering and the Listing and will not be responsible to anyone other than Solteq for providing the protections afforded to its clients nor providing any advice in relation to the Offering, the Listing or the contents of this Prospectus.

Prospective investors should rely solely on the information contained in this Prospectus. Neither Solteq nor the Lead Manager has authorised anyone to provide any information or give any statements other than those provided in this Prospectus. The Lead Manager assumes no responsibility for the accuracy or completeness of the information in this Prospectus and, accordingly, disclaim to the fullest extent permitted by law, any and all liability which they might otherwise be found to have in respect of this Prospectus or any such statement. Delivery of this Prospectus shall not, under any circumstances, indicate that the information presented in this Prospectus is correct on any day other than the date of this Prospectus, or that there would not be any changes in the business of Solteq after the date of this Prospectus. However, if a fault or omission is discovered in this Prospectus before the admission of the Notes for listing on Helsinki Stock Exchange and such fault or omission may be of material importance to investors, this Prospectus shall be supplemented in accordance with the Prospectus Regulation.

In making an investment decision, each investor must rely on their examination, analysis and enquiry of Solteq and the terms of the Notes, including the risks and merits involved. Neither Solteq, nor the Lead Manager nor any of their respective affiliated parties or representatives, is making any representation to any offeree or subscriber of the Notes regarding the legality of the investment by such person. Investors are advised to make their independent assessment of the legal, tax, business, financial and other consequences of an investment in the Notes.

The distribution of this Prospectus and the offer and sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by Solteq and the Lead Manager to inform themselves about and to observe any such restrictions. This Prospectus may not be distributed in the United States, Australia, Canada, Hong Kong, Japan, New Zealand, Singapore or South Africa or such other countries or otherwise in such circumstances in which the offering of the Notes would be unlawful or require measures other than those required under the laws of Finland. This Prospectus does not constitute an offer of, or an invitation to purchase, the Notes in any jurisdiction. None of the Issuer, the Lead Manager or any of their respective affiliates or representatives accepts any legal responsibility for any such violations by any person or entity, whether or not a prospective purchaser of Notes, and whether or not the person or entity is aware of such restrictions. The Notes have not been and will not be registered under the Securities Act and the Notes may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of any U.S. person (as such terms are defined in Regulation S under the Securities Act).

This Prospectus has been prepared solely in connection with the Listing. It does not constitute an offer of securities for sale, or a solicitation of an offer to buy any securities, anywhere in the world.

The Offering and the Notes are governed by Finnish law and any dispute arising in relation to the Offering and the Notes shall be settled exclusively by Finnish courts in accordance with Finnish law.

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## SUMMARY

### Introduction and warnings

*This summary contains all the sections required by the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended (the “**Prospectus Regulation**”) to be included in a summary for this type of securities and issuer. This summary should be read as an introduction to the prospectus (the “**Prospectus**”). Any decision to invest in the securities issued by Solteq Plc (“**Solteq**”, the “**Company**” or the “**Issuer**”) should be based on consideration of the Prospectus as a whole by the investor. An investor investing in the securities could lose all or part of the invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under applicable law, have to bear the costs of translating the Prospectus before legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus, or if it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the securities issued by the Company.*

### **The Issuer and the securities to be listed**

Company .....	Solteq Plc
Business identity code.....	0490484-0
Legal entity identifier (“ <b>LEI</b> ”).....	743700HXWTM31ZHBXW13
Domicile.....	Vantaa, Finland
Registered office .....	Karhumäentie 3, FI-01530 Vantaa, Finland

The Company has submitted a listing application to Nasdaq Helsinki Ltd (the “**Helsinki Stock Exchange**”) for the listing of the EUR 23,000,000 senior unsecured notes due 1 October 2024 issued by the Company (the “**Notes**”) on the official list of the Helsinki Stock Exchange (the “**Listing**”). The trading code of the Notes is ‘STQJ600024’ and the ISIN code of the Notes is FI4000442264.

### **The competent authority approving the Prospectus**

The Prospectus has been approved by the Finnish Financial Supervisory Authority (the “**FIN-FSA**”) as the competent authority under the Prospectus Regulation on 1 October 2020. The FIN-FSA has only approved the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation but is not liable for the correctness of the information contained therein. Approval by the FIN-FSA of the Prospectus shall not be considered as an endorsement of the Issuer that is the subject of the Prospectus. The record number of the approval by FIN-FSA concerning the Prospectus is FIVA 45/02.05.04/2020.

The identity and contact details of the competent authority, FIN-FSA, approving the Prospectus are as follows: Financial Supervisory Authority, P.O. Box 103, FI-00101 Helsinki, Finland, tel.: +358 9 183 51 and email: registry@fiva.fi.

### **Key information on the Issuer**

#### **Who is the Issuer of the securities?**

The legal and commercial name of the Company is Solteq Plc and it is domiciled in Vantaa, Finland. The Company is registered in the trade register maintained by the Finnish Patent and Registration Office (the “**Finnish Trade Register**”) under business identity code 0490484-0 and LEI identifier 743700HXWTM31ZHBXW13. The Company is a public limited liability company incorporated and operating under the laws of Finland.

### Principal activities of the Issuer

The Company is a Nordic provider of information technology (“IT”) services and software solutions specialising in the digitalisation of business and industry-specific software. The key sectors in which the Company has long-term experience include retail, industry, energy and services. In addition to Finland, the Company operates in Sweden, Norway, Denmark, Poland and the UK. The Company offers comprehensive services, which cover all aspects of its customers’ operations from digital business development and service design to implementation and maintenance. The main revenue streams of the Company come from professional services and recurring fees.

### Major shareholders

As at 31 August 2020 altogether 2,400 shareholders held shares in the Company, of which the ten (10) largest shareholders are listed below with their respective ownership participation percentage and number of shares owned. As at the date of this Prospectus, the Company does not hold any treasury shares.

Shareholder	No. of shares	Per cent of shares and votes
Sentica Buyout III Ky.....	4,621,244	23.94
Profiz Business Solution Oy.....	2,060,769	10.67
Elo Mutual Pension Insurance Company .....	2,000,000	10.36
Saadetdin Ali Urhan .....	1,403,165	7.27
Varma Mutual Pension Insurance Company .....	1,245,597	6.45
Aalto Seppo Tapio.....	730,000	3.78
Roininen Matti Juhani.....	450,000	2.33
Väätäinen Olli Pekka.....	400,000	2.07
Lamy Oy.....	225,000	1.17
Sentica Buyout III Co-Investment Ky.....	180,049	0.93
<b>10 largest shareholders in total .....</b>	<b>13,315,824</b>	<b>69.0</b>

A non-Finnish shareholder may appoint an account operator (or certain other Finnish or non-Finnish organisation approved by Euroclear Finland Oy (“**Euroclear Finland**”)) to act as a nominee on its behalf. Therefore, the above list does not include individual beneficial shareholders that own shares through nominees. The aggregate number of nominee registered shares as at 31 August 2020 is 969,243, representing 5.02 per cent of the outstanding shares and votes.

To the extent known to the Company, the Company is not directly or indirectly controlled by any person for the purposes of Chapter 2, Section 4 of the Finnish Securities Market Act (746/2012, as amended) and the Company is not aware of any arrangement the operation of which may result in a change of control of the Company.

### Key managing directors and statutory auditor

The members of the Board of Directors of the Company are Markku Pietilä (Chairman), Aarne Aktan, Lotta Kopra, Panu Porkka, Katarina Sergerstahl and Mika Uotila.

The Company’s executive team consists of Olli Väätäinen (Chief Executive Officer), Ilkka Brander (Executive Vice President, Solteq Software), Matti Djateu (Chief Digital Officer), Kari Lehtosalo (Chief Financial Officer), Kirsi Jalasaho (Vice President, People and Culture) and Juha Rokkanen (Executive Vice President, Solteq Digital). On 20 August 2020, the Company announced that Ilkka Brander had decided to leave the Company by November 2020 in order to assume a new position outside Solteq.

The Company’s auditor is Certified Public Audit Firm KPMG Oy Ab, with Authorised Public Accountant Petri Sammalisto as the principal auditor. The business address of the principal auditor and KPMG Oy Ab is Töölönlahdenkatu 3 A, FI-00101 Helsinki, Finland.

### **What is the key financial information regarding the Issuer?**

The selected historical key financial information presented below has been derived from the Company’s unaudited consolidated financial information as at and for the six months ended 30 July 2020 prepared in accordance with “IAS 34 – Interim Financial Reporting”, including comparative figures for the six months ended

30 July 2019, and the Company's audited consolidated financial statements as at and for the financial years ended 31 December 2019 and 31 December 2018 prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted in the European Union ("EU"). The following tables set forth the consolidated key figures of the Company for the periods indicated:

Information on the statement of comprehensive income

(EUR thousand)	For the six months ended June 30,		For the year ended December 31,	
	2020	2019	2019	2018
	(unaudited)		(audited)	
Operating profit .....	2,197	2,101	5,711	2,466
Comparable operating profit.....	2,387	1,726	2,579	3,117 <sup>1)</sup>

<sup>1)</sup> For the financial year 2018, the effects of divesting SAP ERP business (effective 31.12.2019) have not been eliminated

Information on the statement of financial position

(EUR thousand)	As at June 30,		As at December 31,	
	2020	2019	2019	2018
	(unaudited)		(audited)	
Net financial debt (long term debt plus short term debt minus cash).....	25,713	30,102	31,519	22,913

Information on the statement of cash flows

(EUR thousand)	For the six months ended June 30,		For the year ended December 31,	
	2020	2019	2019	2018
	(unaudited)		(audited)	
Net cash from operating activities.....	5,345	1,939	4,128	8,002
Net cash used in financing activities.....	-3,218	-699	-1,160	1,387
Net cash used in investing activities.....	1,981	-2,224	-4,668	-5,595

Audit qualifications

There are no qualifications in the audit reports pertaining to the Issuer's audited financial statements for the financial years ended 31 December 2019 and 31 December 2018. The Auditor's report for the financial year ended 31 December 2019 contains, however, additional information on material uncertainty related to going concern basis.

In the Auditor's report dated 26 February 2020, the Auditor drew attention to the accounting policies of the financial statements and section "Going concern principle." As at the date of the Auditor's report 26 February 2020, Solteq Group's bond totalling EUR 24.5 million with fixed interest rate was maturing in the summer of 2020. The Company initiated measures to ensure refinancing during the financial year 2019 and the refinancing was still under negotiation on 26 February 2020. The arrangement consisted of the renewal of the bond and overdraft and liquidity facilities. On 26 February 2020, the Company's management expected operations to continue with only a low risk of inadequate funding. The Auditor considered the aforementioned conditions to show such material uncertainty, which may cast significant doubt upon the Company's ability to continue as a going concern.

Furthermore, in the Auditor's report dated 26 February 2020, the Auditor drew attention to the fact that the consolidated statement of financial position includes goodwill, carried at EUR 38.8 million, and the parent company's statement of financial position includes merger losses, carried at EUR 34.1 million. The Auditor considered that there is uncertainty related to the Group's ability to continue as a going concern as described in the previous chapter, and thus, the carrying value of goodwill and merger losses may not be supported. The Auditor notes, however, that the opinion has not been qualified by this matter.

### ***What are the key risks that are specific to the Issuer?***

- The global digital services and software industry is characterised by strong competition. Competition in the markets in which Solteq operates may cause Solteq to lose its markets share, lead to increased bargaining power for customers, force Solteq to reduce the prices of its products and services as well as to produce an increasing share of its products and services in Finland, which may lead to decrease in revenue or increased costs.
- Solteq's business, financial condition, results of operations and future prospects could be adversely affected by uncertain global economic and financial market conditions.
- COVID-19 may have a material adverse effect on the business operations of Solteq
- Unsuccessful project, services or contract management may lead to the loss of important customer relationships, damages and other additional costs and cause Solteq to incur financial losses.
- Solteq is exposed to risks associated with scheduling and pricing of sales that constitutes its revenue, and the failure in securing new sales or the scheduling or pricing thereof may adversely affect Solteq's profitability.
- Solteq's business may be adversely affected by the loss of key personnel or the inability to recruit new talent. Losing competent personnel, failing in the recruitment of new personnel or in the maintenance and development of the competencies of its personnel may cause Solteq to incur additional costs and negatively affect Solteq's ability to provide services to its customers and its competitiveness.
- Changes in and non-compliance with the applicable laws and regulations applied to Solteq's business operations could incur costs and require Solteq to adapt new measures to ensure compliance with such laws and regulations.
- Solteq may be negatively affected by legal or other official proceedings directed at any of the group companies or other disputes and claims.
- Solteq may not necessarily be able to obtain financing at competitive terms or at all. The terms of financing available for the Company are affected by the development of the Company's business and adverse changes in its financial position and/or uncertainty in the financial markets may mean that the price of the financing required to carry out the Company's business operations will increase and that the availability of financing will decrease.
- Solteq is exposed to credit risk through its trade receivables, and the financial difficulties of one or more of Solteq's customers may have a negative impact on Solteq's business operations, operating result and financial position.

### **Key information on the securities**

#### ***What are the main features of the securities?***

The Notes are euro denominated senior unsecured notes and debt instruments of the type referred to in paragraph 1 of Section 34 of the Act on Promissory Notes (Fi: *velkakirjalaki*) (622/1947, as amended). The ISIN code of the Notes is FI4000442264.

The Notes are issued in dematerialised form in the Infinity book-entry securities system maintained by Euroclear Finland.

The Notes are represented by units in denominations of EUR 20,000 and the nominal amount of each Note is EUR 20,000 (the "**Nominal Amount**"). The number of issued Notes is 1,150 in aggregate.

The initial Notes were issued on 1 October 2020 (the "**First Issue Date**") fully paid at an issue price of 100.00 per cent of the Nominal Amount based on the authorisation given by the Issuer's Board of Directors on 15 September 2020 (the "**Initial Notes**"). The Initial Notes were offered for subscription in a minimum amount of EUR 100,000 to professional clients, eligible counterparties and retail clients outside of the United States of

America through a book-building procedure that was carried out between 23 and 24 September 2020 (the “**Offering**”).

The maximum total nominal amount of the Initial Notes is EUR 23,000,000. The Issuer may, at one or several occasions after the First Issue Date, issue subsequent notes (the “**Subsequent Notes**”). The price of the Subsequent Notes may be set at a discount or at a premium compared to the Nominal Amount. The maximum total nominal amount of the Notes (the Initial Notes and all Subsequent Notes) may not exceed EUR 45,000,000.

The Notes bear interest at the fixed rate of 6.00 per annum (the “**Interest Rate**”). Interest shall be payable annually commencing on 1 October 2021 and thereafter on each 1 October (each an “**Interest Payment Date**”).

#### Redemption and repurchase of the Notes

The Final Maturity Date of the Notes is 1 October 2024. The Issuer shall redeem all, but not only some, of the outstanding Notes in full on the Final Maturity Date with an amount per Note equal to the Nominal Amount together with accrued but unpaid interest.

At any time prior to 1 April 2022 (the “**First Call Date**”), the Issuer may redeem all but not part of the Notes, at a redemption price per Note equal to the sum of (i) 103.6 per cent of the outstanding nominal amount of the Notes redeemed and accrued but unpaid interest to the relevant Redemption Date, and (ii) the remaining interest payments to, but excluding the First Call Date. On or after the First Call Date, the Issuer may on any one occasion redeem all but not only part of Notes at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued but unpaid interest to the relevant Redemption Date.

<u>Months from the issue date</u>	<u>Redemption price</u>
at least 18 but less than 24	103.6 per cent
at least 24 but less than 30	103.0 per cent
at least 30 but less than 36	102.4 per cent
at least 36 but less than 42	101.5 per cent
at least 42 and thereafter	100.00 per cent

If an event of default has occurred and is continuing, the Noteholders’ agent (the “**Agent**”) (being on the date of the Prospectus Nordic Trustee Oy, incorporated under the laws of Finland with corporate registration number 2488240-7) is entitled to, on behalf of the Noteholders by notice to the Issuer, declare all, but not only some, of the Notes due for payment together with any other amounts payable under the finance documents.

In the event of an acceleration of the Notes, the Issuer shall redeem all Notes with an amount equal to 101 per cent of the Nominal Amount of the Notes or such lower redemption amount as pursuant to the terms and conditions of the Notes is applicable on a voluntary total redemption of the Notes, as applicable considering when the acceleration occurs.

#### Rights attached to the securities

Pursuant to the terms and conditions of the Notes, each Noteholder may exercise its voting rights as a Noteholder at a noteholders’ meeting or in a written procedure. A matter decided at a duly convened and held noteholders’ meeting or by way of written procedure is binding on all Noteholders, irrespective of them being present or represented at the noteholders’ meeting or responding in the written procedure.

Any request from the Issuer or a Noteholder (or Noteholders) representing at least ten (10) per cent of the adjusted nominal amount of the Notes for a decision by the Noteholders on a matter relating to the finance documents shall be directed to the Agent and dealt with at a noteholders’ meeting or by way of a written procedure, as determined by the Agent.

#### Ranking of the securities

The Notes constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank at least *pari passu* with all direct, unconditional, unsubordinated and unsecured

obligations of the Issuer, except those obligations which are mandatorily preferred by law, and without any preference among them.

The Notes are unsecured and unguaranteed debt obligations of the Issuer. In the event of an insolvency of the Issuer, the Noteholders would be unsecured creditors and claims under the Notes would rank junior to claims under the Issuer's secured indebtedness. The Issuer has given floating charge security as collateral to the customary bank guarantees used in connection with rental agreements as well as to the standby credit limit of EUR 4 million and a credit limit of EUR 2 million both of which were unused at the end of the financial period ending 30 June 2020.

#### Transferability of the securities

Subject to any restrictions to which a Noteholder may be subject due to local law or otherwise, each Note is freely transferable after it has been registered into the respective book-entry account of a Noteholder. Each Noteholder must ensure compliance with the restrictions referred to above at its own cost and expense.

#### **Where will the securities be traded?**

The Company has applied for the listing of the Notes on the official list of the Helsinki Stock Exchange. Public trading of the Notes is expected to commence on or about 5 October 2020 under the trading code 'STQJ600024'.

#### **What are the key risks that are specific to the securities?**

- Investors in the Notes are exposed to credit risk in respect of the Issuer and may forfeit interest and principal amount invested.
- The Notes will be unsecured and structurally subordinated any secured debt.
- Active trading market for the Notes may not develop.
- Since the Notes bear interest at a fixed rate, movements in market interest rates can adversely affect the value of the Notes.
- The Issuer may have an obligation to redeem the Notes prior to maturity and may not be able to finance such repurchase.

#### **Key Information on the offer of securities to the public and the admission to trading on a regulated market**

#### ***Under which conditions and timetable can I invest in this security?***

Not applicable. This Prospectus has been prepared solely in connection with the Listing. It does not constitute an offer of securities for sale, or a solicitation of an offer to buy any securities, anywhere in the world.

#### ***Why is this prospectus being produced?***

The Company has prepared and published this Prospectus in order to apply for the Notes to be admitted to trading on the official list of the Helsinki Stock Exchange.

#### Reasons for the offering, use and estimated amounts of proceeds

The net proceeds to the Issuer from the Offering, after the deduction of customary fees and expenses payable by the Issuer, was approximately EUR 22.65 million. The net proceeds from the Offering will be applied towards (i) redemption of the outstanding EUR 24,500,000 senior unsecured fixed rate notes issued on 1 July 2015 (as amended and restated on 24 September 2015, 31 July 2018 and 18 May 2020) and (ii) general corporate purposes.

### Conflicts of interest

Danske Bank A/S (the “**Lead Manager**”) has acted as the lead manager of the Offering and the Listing. The Lead Manager and companies belonging to the same consolidated group with the Lead Manager may have performed and may in the future perform investment or other banking services for the Issuer and its subsidiaries in the ordinary course of business. The Lead Manager and its affiliates may have positions, deal or make markets in the Notes, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. In addition, in the ordinary course of their business activities, the Lead Manager and/or its affiliates may make or hold a broad array of investments and actively trade debt and/or equity securities (or related derivative securities) and financial instruments (including bank loans) for its own account or for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer’s affiliates or related entities. The Lead Manager or its affiliates that have a lending relationship with the Issuer may routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, the Lead Manager and its affiliates would hedge such exposure by entering into transactions that consist of either purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such positions could adversely affect future trading prices of the Notes. The Lead Manager and its affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

### ***Applicable laws and dispute resolution***

The Offering and the Notes are governed by Finnish law and any dispute arising in relation to the Offering and the Notes shall be settled exclusively by Finnish courts in accordance with Finnish law.

## TIIVISTELMÄ

### Johdanto ja varoitukset

Tämä tiivistelmä sisältää kaikki Euroopan parlamentin ja Neuvoston asetuksen (EU) 2017/1129, annettu 14 päivänä kesäkuuta 2017, arvopapereiden yleisölle tarjoamisen tai kaupankäynnin kohteeksi säännellyllä markkinalla ottamisen yhteydessä julkaistavasta esitteestä ja direktiivin 2003/71/EY, muutoksineen kumoamisesta ("**Esiteasetus**"), edellyttämät tiivistelmään tämän kaltaisten arvopapereiden ja liikkeeseenlaskijan yhteydessä sisällytettävät kohdat. Tätä tiivistelmää tulee lukea listalleottoesitteen ("**Esite**") johdantona. Sijoittajan tulisi perustaa Solteq Oyj:n ("**Solteq**", "**Yhtiö**" tai "**Liikkeeseenlaskija**") liikkeeseenlaskemia arvopapereita koskeva sijoituspäätöksensä Esitteeseen kokonaisuutena. Sijoittaja voi menettää arvopapereihin sijoittamansa pääoman kokonaisuudessaan tai osittain. Jos tuomioistuimessa pannaan vireille Esitteeseen sisältyviä tietoja koskeva kanne, kantajana toimiva sijoittaja saattaa sovellettavaksi tulevan lainsäädännön nojalla joutua ennen oikeudenkäynnin vireillepanoa vastaamaan Esitteen käännöskustannuksista. Yhtiö on siviilioikeudellisessa vastuussa tästä tiivistelmästä ja sen käännöksistä vain, jos tiivistelmä luettuna yhdessä Esitteen muiden osien kanssa on harhaanjohtava, epätarkka tai epä johdonmukainen tai jos siinä ei luettuna yhdessä Esitteen muiden osien kanssa anneta keskeisiä tietoja sijoittajien auttamiseksi, kun ne harkitsevat sijoittamista Yhtiön liikkeeseenlaskemiin arvopapereihin.

### Liikkeeseenlaskija ja listattavat arvopaperit

Yhtiö .....	Solteq Oyj
Y-tunnus .....	0490484-0
Oikeushenkilötunnus (" <b>LEI</b> ") .....	743700HXWTM31ZHBXW13
Kotipaikka .....	Vantaa
Rekisteröity osoite .....	Karhumäentie 3, 01530, Vantaa, Suomi

Yhtiö on jättänyt listalleottohakemuksen Nasdaq Helsinki Oy:lle ("**Helsingin Pörssi**") koskien Yhtiön liikkeeseenlaskemien 1.10.2024 erääntyvien 23 000 000 euron senioriehtoisten vakuudettomien joukkovelkakirjojen ("**Velkakirjat**") listaamista Helsingin Pörssin viralliselle listalle ("**Listaaminen**"). Velkakirjojen kaupankäyntitunnus on 'STQJ600024' ja ISIN-tunnus FI4000442264.

### Esitteen hyväksyvä toimivaltainen viranomainen

Finanssivalvonta ("**Finanssivalvonta**") on Esiteasetuksen mukaisena toimivaltaisena viranomaisena hyväksynyt Esitteen 1.10.2020. Finanssivalvonta on hyväksynyt Esitteen vain siltä osin, että se täyttää Esiteasetuksen mukaiset kattavuutta, ymmärrettävyyttä ja johdonmukaisuutta koskevat vaatimukset, mutta ei vastaa siinä esitetyn tiedon todenmukaisuudesta. Finanssivalvonnan antamaa Esitteen hyväksyntää ei tule pitää osoituksena sen Liikkeeseenlaskijan hyväksynnästä, jota Esite koskee. Finanssivalvonnan Esitteen hyväksymispäätöksen diaarinumero on FIVA 45/02.05.04/2020.

Toimivaltaisen, Esitteen hyväksyneen viranomaisen yhteystiedot ovat: Finanssivalvonta, PL 103, 00101 Helsinki, puhelinnumero +358 9 183 51 ja sähköpostiosoite kirjaamo@finanssivalvonta.fi.

### Keskeisiä tietoja Liikkeeseenlaskijasta

#### **Kuka on arvopapereiden Liikkeeseenlaskija?**

Liikkeeseenlaskijan virallinen nimi on Solteq Oyj ja sen kotipaikka on Vantaa. Yhtiö on rekisteröity Patentti- ja rekisterihallituksen ylläpitämässä kaupparekisterissä ("**Kaupparekisteri**") y-tunnuksella 0490484-0 ja sen LEI-tunnus on 743700HXWTM31ZHBXW13. Yhtiö on julkinen osakeyhtiö, joka on perustettu Suomessa ja jonka toimintaan sovelletaan Suomen lakia.

#### Liikkeeseenlaskijan pääasiallinen toiminta

Yhtiö on pohjoismainen IT-palveluiden ja ohjelmistoratkaisujen tarjoaja, joka on erikoistunut liiketoiminnan digitalisaatioon sekä toimialakohtaisiin ohjelmistoihin. Keskeisiä toimialoja, joista Yhtiöllä on pitkäaikainen

kokemus, ovat kauppa, teollisuus, energia ja palvelut. Yhtiö toimii Suomen lisäksi Ruotsissa, Norjassa, Tanskassa, Puolassa sekä Iso-Britanniassa. Yhtiöllä on laaja-alainen palvelutarjonta, joka kattaa sen asiakkaiden kaikki osa-alueet sähköisen liiketoiminnan kehityksen konsultoinnista ja palvelumuotoilusta toteutuksiin ja ylläpitoon. Pääosa Yhtiön tulovirrasta on peräisin asiantuntijapalveluista ja jatkuvista palkkioista.

### Suurimmat osakkeenomistajat

Yhtiöllä oli 31.8.2020 yhteensä 2 400 osakkeenomistajaa, joista seuraavassa taulukossa luetellaan kymmenen (10) suurinta osakkeenomistajaa sekä kunkin osakkeenomistajan omistamien osakkeiden lukumäärä ja suhteellinen osuus Yhtiön kaikista osakkeista ja äänistä 31.8.2020. Tämän Esitteen päivämääränä Yhtiön hallussa ei ole omia osakkeita.

Osakkeenomistaja	Osakkeiden lukumäärä	Prosenttia osakkeista ja äänistä
Sentica Buyout III Ky.....	4 621 244	23,94
Profiz Business Solution Oy.....	2 060 769	10,67
Keskinäinen Työeläkevakuutusyhtiö Elo.....	2 000 000	10,36
Saadetdin Ali Urhan.....	1 403 165	7,27
Keskinäinen työeläkevakuutusyhtiö Varma.....	1 245 597	6,45
Aalto Seppo Tapio.....	730 000	3,78
Roininen Matti Juhani.....	450 000	2,33
Väätäinen Olli Pekka.....	400 000	2,07
Lamy Oy.....	225 000	1,17
Sentica Buyout III Co-Investment Ky.....	180 049	0,93
<b>10 suurinta osakkeenomistajaa yhteensä.....</b>	<b>13 315 824</b>	<b>69,0</b>

Ulkomaalainen osakkeenomistaja voi valtuuttaa tilinhoitajayhteisön (tai jonkin muun suomalaisen tai ulkomaisen Euroclear Finland Oy:n ("**Euroclear Finland**") hyväksymän yhteisön) toimimaan osakkeenomistajan puolesta hallintarekisteröinnin hoitajana. Yllä olevassa taulukossa ei siten ole lueteltu sellaisia yksityisiä osakkeenomistajia, jotka omistavat hallintarekisteröityjä osakkeita. Yhtiöllä oli 31.8.2020 yhteensä 969 243 hallintarekisteröityä osaketta, mikä vastaa 5,02 prosenttia Yhtiön kaikista ulkona olevista osakkeista ja äänistä.

Yhtiön tiedossa ei ole, että kenelläkään Yhtiön osakkeenomistajalla olisi arvopaperimarkkinalain (746/2012, muutoksineen) 2 luvun 4 pykälän tarkoittamaa määräysvaltaa Yhtiössä eikä Yhtiö ole tietoinen mistään sellaisesta järjestelystä, jonka toteuttamisen seurauksena Yhtiön määräysvalta saattaisi vaihtua.

### Johdon avainhenkilöt ja tilintarkastaja

Yhtiön hallituksen jäsenet ovat Markku Pietilä (puheenjohtaja), Aarne Aktan, Lotta Kopra, Panu Porkka, Katarina Sergerstahl ja Mika Uotila.

Yhtiön johtoryhmään kuuluvat Olli Väätäinen (toimitusjohtaja), Ilkka Brander (Solteq Software -liiketoimintasegmentin johtaja), Matti Djateu (CDO), Kari Lehtosalo (talousjohtaja), Kirsi Jalasaho (henkilöstöjohtaja) ja Juha Rokkanen (Solteq Digital -liiketoimintasegmentin johtaja). Yhtiö tiedotti 20.8.2020, että Ilkka Brander on ilmoittanut eroavansa Yhtiön palveluksesta ottaakseen vastaan uuden tehtävän Solteqin ulkopuolella.

Yhtiön tilintarkastajana toimii tilintarkastusyhteisö KPMG Oy Ab, päävastuullisena tilintarkastajana KHT-tilintarkastaja Petri Sammalisto. Päävastuullisen tilintarkastajan ja KPMG Oy Ab:n liikeosoite on Töölönlahdenkatu 3 A, 00101 Helsinki, Suomi.

### **Mitä ovat Liikkeeseenlaskijaa koskevat keskeiset taloudelliset tiedot?**

Alla esitetyt valikoidut historialliset tiedot on johdatettu "IAS 34 – Osavuosikatsaukset" -standardin mukaisesti 30.6.2020 päättyneeltä kuuden (6) kuukauden jaksolta laadittujen Yhtiön tilintarkastamattomien konsernin taloudellisten tietojen, sisältäen vertailutietoina 30.6.2019 päättyneeltä kuuden (6) kuukauden jakson taloudelliset tiedot, sekä Euroopan unionissa ("**EU**") sovellettaviksi hyväksytyjen kansainvälisten tilinpäätösstandardien ("**IFRS**") mukaisesti 31.12.2019 ja 31.12.2018 päättyneiltä tilikausilta laadituista Yhtiön tilintarkastetuista konsernitilinpäätöksistä. Seuraavassa taulukossa on esitetty Yhtiön keskeisiä konsernitason tunnuslukuja ilmoitettuna ajankohtina:

### Tuloslaskelmatietoja

(tuhatta euroa)	1.1.–30.6.		1.1.–31.12.	
	2020 (tilintarkastamaton)	2019 (tilintarkastamaton)	2019 (tilintarkastettu)	2018 (tilintarkastettu)
Liikevoitto .....	2 197	2 101	5 711	2 466
Vertailukelpoinen liikevoitto.....	2 387	1 726	2 579	3 117 <sup>1)</sup>

<sup>1)</sup> Tilikauden 2018 osalta SAP ERP liiketoiminnan divestointia (voimaan 31.12.2019) ei ole eliminoitu vertailukelpoisen liikevoiton laskennassa.

### Tasetietoja

(tuhatta euroa)	30.6.		31.12.	
	2020 (tilintarkastamaton)	2019 (tilintarkastamaton)	2019 (tilintarkastettu)	2018 (tilintarkastettu)
Nettorahoitusvelka (pitkäaikainen velka plus lyhytaikainen velka miinus käteinen).....	25 713	30 102	31 519	22 913

### Rahavirtalaskelmatietoja

(tuhatta euroa)	1.1.–30.6.		1.1.–31.12.	
	2020 (tilintarkastamaton)	2019 (tilintarkastamaton)	2019 (tilintarkastettu)	2018 (tilintarkastettu)
Liiketoiminnan nettorahavirta .....	5 345	1 939	4 128	8 002
Rahoituksen nettorahavirta .....	-3 218	-699	-1 160	1 387
Sijoitustoiminnan nettorahavirta .....	1 981	-2 224	-4 668	-5 595

### Tilintarkastuskertomuksen varaumat

Yhtiön 31.12.2019 ja 31.12.2018 päättyneiltä tilikausilta laadittujen tilinpäätösten tilintarkastuskertomuksissa ei ole esitetty varaumia. 31.12.2019 päättyneeltä tilikaudelta laadittu tilintarkastuskertomus sisältää kuitenkin lisätiedon toiminnan jatkuvuuteen liittyvästä olennaisesta epävarmuudesta.

Tilintarkastaja kiinnitti huomiota tilinpäätöksen laatimisperiaatteissa kohtaan ”*Toiminnan jatkuvuuden periaate*” 26.2.2020 päivätyssä tilintarkastuskertomuksessa. Tilintarkastuskertomuksen päivämääränä 26.2.2020 Solteq-konsernin kiinteäkorkoinen 24,5 miljoonan euron joukkovelkakirjalaina oli erääntymässä kesällä 2020. Yhtiö käynnisti toimenpiteet uudelleenrahoituksen järjestämiseksi tilikauden 2019 aikana ja rahoitusneuvottelut olivat kesken 26.2.2020. Järjestely koostui olemassa olevan joukkovelkakirjalainan sekä tili- ja maksuvalmiuslimiittien uusimisesta. Yhtiön johto arvioi 26.2.2020 toiminnan jatkuvan ja rahoituksen riittämättömyyteen liittyvän riskin olevan pieni. Tilintarkastaja katsoi edellä mainittujen olosuhteiden osoittavan sellaista olennaista epävarmuutta, joka saattaa antaa merkittävää aihetta epäillä Yhtiön kykyä jatkaa toimintaansa.

Yhtiön tilintarkastaja kiinnitti lisäksi huomiota 26.2.2020 antamassaan tilintarkastuskertomuksessa siihen, että konsernitaseeseen sisältyi liikearvoa yhteensä 38,8 miljoonaa euroa ja emoyhtiön taseeseen fuusiotappioita yhteensä 34,1 miljoonaa euroa. Tilintarkastaja katsoi, että edellä kuvatulla tavalla konsernin kykyyn jatkaa toimintaansa saattaa liittyä epävarmuutta, minkä johdosta liikearvon ja fuusiotappioiden arvostukseen saattaa liittyä epävarmuutta. Tilintarkastaja kuitenkin toteaa, että lausuntoa ei ole mukautettu tämän seikan osalta.

### **Mitkä ovat Liikkeeseenlaskijaan liittyvät keskeiset riskit?**

- Voimakas kilpailu on tyypillistä globaalille digitaalisten palveluiden toimialalle ja ohjelmistoalalle. Kilpailu markkinoilla, joilla Solteq toimii, saattaa aiheuttaa Solteqin markkinaosuuden menettämisen, johtaa asiakkaiden kasvavaan neuvotteluvoimaan, pakottaa Solteqin alentamaan tuotteidensa ja palveluidensa hintoja ja tuotteiden ja palvelujen kasvavaan tuottamiseen Suomessa, mikä voi johtaa liikevaihdon pienenemiseen tai kulujen kasvamiseen.

- Epävarmuus maailmantalouden ja rahoitusmarkkinoiden olosuhteissa voi vaikuttaa haitallisesti Solteqin liiketoimintaan, taloudelliseen tilaan, liiketoiminnan tulokseen ja tulevaisuusnäkyymiin.
- COVID-19:llä voi olla olennaisen haitallinen vaikutus Solteqin liiketoimintaan
- Epäonnistuminen projektien, palveluiden tai sopimusten hallinnassa saattaa johtaa tärkeiden asiakassuhteiden menetyksiin, vahingonkorvauksiin ja muihin lisäkustannuksiin ja aiheuttaa Solteqille taloudellisia tappioita.
- Solteq altistuu riskeille, jotka liittyvät sen liikevaihdon muodostavan myynnin aikataulutukseen ja hinnoitteluun, ja epäonnistuminen uusien kauppojen varmistamisessa tai niihin liittyvässä aikataulutuksessa tai hinnoittelussa saattaa vaikuttaa haitallisesti Solteqin kannattavuuteen.
- Avainhenkilöiden menettäminen tai epäonnistuminen uusien kykyjen rekrytoinnissa voi vaikuttaa haitallisesti Solteqin liiketoimintaan. Pätevien työntekijöiden menettäminen tai uuden henkilöstön rekrytoinnissa tai henkilöstön huolenpidossa ja osaamisen kehittämisessä epäonnistuminen voi aiheuttaa Solteqille lisäkustannuksia ja vaikuttaa haitallisesti Solteqin kykyyn tarjota palveluja asiakkailleen sekä sen kilpailukykyyn.
- Solteq altistuu riskeille, jotka liittyvät kustannustason muutoksiin.
- Solteqin liiketoimintaa koskevien lakien ja asetusten muutokset tai niiden noudattamatta jättäminen voivat aiheuttaa kustannuksia ja vaatia Solteqilta lisätoimenpiteitä tällaisten lakien ja asetusten noudattamisen varmistamiseksi.
- Konserniyhtiöön kohdistuvilla oikeudenkäynneillä tai muilla viranomaismenettelyillä taikka muilla riidoilla ja vaatimuksilla saattaa olla haitallinen vaikutus Solteqiin.
- Solteq ei välttämättä pysty hankkimaan rahoitusta kilpailukykyisillä ehdoilla tai ollenkaan. Yhtiön liiketoiminnan kehitys vaikuttaa Yhtiön saatavilla olevan rahoituksen ehtoihin ja haitalliset muutokset sen taloudellisessa asemassa ja/tai epävarmuus rahoitusmarkkinoilla saattavat tarkoittaa, että Yhtiön liiketoiminnan harjoittamiseen vaadittavan rahoituksen hinta nousee ja rahoituksen saatavuus heikkenee.
- Solteq altistuu sen myyntisaamisiin liittyvälle luottoriskille, ja yhden tai useamman Solteqin asiakkaan taloudellisilla vaikeuksilla saattaa olla haitallinen vaikutus Solteqin liiketoimintaan, liiketoiminnan tulokseen ja taloudelliseen asemaan.

## Keskeiset tiedot arvopapereista

### *Mitkä ovat arvopapereiden keskeiset ominaisuudet?*

Velkakirjat ovat euromääräisiä, senioriehtoisia ja vakuudettomia velkakirjalain (622/1947, muutoksineen) 34 pykälän 1 momentin tarkoittamia joukkovelkakirjoja. Velkakirjojen ISIN-tunnus on FI4000442264.

Velkakirjat lasketaan liikkeeseen arvo-osuuksina Euroclear Finlandin ylläpitämässä Infinity-järjestelmässä.

Velkakirjojen arvo-osuuden yksikkökoko on 20 000 euroa ja kunkin Velkakirjan nimellisarvo on 20 000 euroa ("**Nimellisarvo**"). Velkakirjoja lasketaan liikkeeseen yhteensä 1 150 kappaletta.

Alkuperäiset Velkakirjat laskettiin liikkeeseen 1.10.2020 ("**Ensimmäinen Liikkeeseenlaskupäivä**") täysin maksettuina 100,00 prosentin emissiohintaan Liikkeeseenlaskijan hallituksen 15.9.2020 antaman valtuutuksen perusteella ("**Alkuperäiset Velkakirjat**"). Alkuperäisiä Velkakirjoja tarjottiin merkittäväksi 100 000 euron vähimmäismerkintähintaan tietyille Yhdysvaltojen ulkopuolisille ammattimaisille asiakkaille, hyväksyttävillä vastapuolilla ja yksityissijoittajilla suunnatussa tarjousmenettelyssä 23-24.9.2020 välisenä aikana ("**Tarjous**").

Alkuperäisten Velkakirjojen kokonaisnimellisarvo on enintään 23 000 000 euroa. Liikkeeseenlaskija voi Velkakirjojen ehtojen mukaisesti tietyin edellytyksin, yhdessä tai useammassa erässä, laskea liikkeeseen saman lajisia myöhempiä velkakirjoja ("**Myöhemmät Velkakirjat**"). Myöhemmät Velkakirjat voidaan laskea

liikkeeseen Nimellisarvoa matalampaan tai korkeampaan hintaan. Velkakirjojen (Alkuperäisten Velkakirjojen ja Myöhempien Velkakirjojen) kokonaisnimellisarvo voi olla enintään 45 000 000 euroa.

Velkakirjoille maksetaan 6,00 prosentin kiinteää vuosittaista korkoa ("**Korkoprosentti**"). Korko maksetaan vuosittain 1.10. alkaen 1.10.2021 (kukin erikseen "**Koronmaksupäivä**").

#### Velkakirjojen lunastus ja takaisinosto

Velkakirjojen lopullinen eräpäivä on 1.10.2024 ("**Lopullinen Eräpäivä**"). Liikkeeseenlaskijan tulee lunastaa kaikki liikkeeseenlaskut Velkakirjat, mutta ei vain osaa liikkeeseenlasketuista Velkakirjoista, täysimääräisenä Lopullisena Eräpäivänä Velkakirjakohtaisella hinnalla, joka vastaa Nimellisarvoa yhdessä kertyneellä mutta maksamattomalla korolla.

Liikkeeseenlaskija voi milloin tahansa ennen 1.4.2022 ("**Ensimmäinen Lunastuspäivä**") lunastaa kaikki liikkeeseenlaskut Velkakirjat, mutta ei vain osaa liikkeeseenlasketuista Velkakirjoista hinnalla, joka vastaa (i) 103,6 prosenttia kunkin lunastettavan Velkakirjan ulkona olevasta Nimellisarvosta yhdessä Lunastuspäivään saakka kertyneellä mutta maksamattomalla korolla sekä (ii) jäljellä olevaa, Ensimmäiseen Lunastuspäivään saakka maksettavaksi tulevaa korkoa, lukuun ottamatta Ensimmäinen Lunastuspäivä. Ensimmäisestä Lunastuspäivästä alkaen Liikkeeseenlaskija voi milloin tahansa lunastaa kaikki liikkeeseenlaskut Velkakirjat, mutta ei vain osaa liikkeeseenlasketuista Velkakirjoista, alla olevassa taulukossa esitetyllä Velkakirjakohtaisella hinnalla (ilmoitettuna prosentteina pääoman määrästä) yhdessä kyseiseen Lunastuspäivään asti kertyneellä mutta maksamattomalla korolla.

#### Kuukautta liikkeeseenlaskusta

vähintään 18 mutta alle 24  
vähintään 24 mutta alle 30  
vähintään 30 mutta alle 36  
vähintään 36 mutta alle 42  
vähintään 42 ja myöhemmin

#### Lunastushinta

103,6 prosenttia  
103,0 prosenttia  
102,4 prosenttia  
101,5 prosenttia  
100,00 prosenttia

Eräännyttämisperusteeksi määritellyn sopimusrikkomuksen (*event of default*) tapahduttua ja sen jatkuessa, Velkakirjanhaltijoiden edustajalla ("**Edustaja**") (joka tämän Esitteen päivämääränä on Nordic Trustee Oy, joka on perustettu Suomen lakien mukaisesti ja jonka y-tunnus on 2488240-7) voi Velkakirjanhaltijoiden puolesta, ilmoittamalla siitä Liikkeeseenlaskijalle, eräännyttää kaikki, mutta ei vain osaa liikkeeseenlasketuista Velkakirjoista, sekä kaikki muut rahoitusasiakirjojen ehtojen mukaisesti maksettavat suoritukset.

Velkakirjojen eräännyttämisen seurauksena Liikkeeseenlaskijan on lunastettava kaikki liikkeeseenlaskut Velkakirjat hinnalla, joka vastaa 101 prosenttia Nimellisarvosta tai sellaisella Velkakirjojen ehdoissa määritellyllä eräännyttämisen ajankohdasta riippuvaisella matalammalla hinnalla, jota sovelletaan Velkakirjojen vapaaehtoiseen lunastamiseen.

#### Arvopapereihin liittyvät oikeudet

Velkakirjojen ehtojen mukaisesti kukin Velkakirjanhaltija voi käyttää Velkakirjoihin liittyvää äänivaltaansa velkakirjanhaltijoiden kokouksessa tai kirjallisessa menettelyssä. Asianmukaisesti koolle kutsutussa ja pidetyssä velkakirjanhaltijoiden kokouksessa tai kirjallisessa menettelyssä tehty päätös sitoo kaikkia Velkakirjanhaltijoita huolimatta siitä, ovatko kyseiset Velkakirjanhaltijat osallistuneet tai olleet edustettuina velkakirjanhaltijoiden kokouksessa tai vastanneet kirjallisessa menettelyssä.

Velkakirjat oikeuttavat Liikkeeseenlaskijan tai sellaisen yhden tai useamman Velkakirjanhaltijan, jotka yhdessä tai erikseen edustavat vähintään kymmentä (10) prosenttia Velkakirjojen tarkistetusta nimellisarvosta (*adjusted nominal amount*) pyytämään Velkakirjanhaltijoilta rahoitusasiakirjoihin liittyvää päätöstä. Tällainen pyyntö osoitetaan Edustajalle ja käsitellään Edustajan valinnan mukaan joko velkakirjanhaltijoiden kokouksessa tai kirjallisessa menettelyssä.

#### Arvopapereihin liittyvä etuoikeusjärjestys

Velkakirjat ovat Liikkeeseenlaskijan suorina, yleisiä, ehdottomia, ei-alisteisessa asemassa olevia ja vakuudettomia velvoitteita, joilla on keskenään sama etuoikeusjärjestys (*pari passu*) ja jotka ovat etuoikeusjärjestyksessä vähintään samalla etusijalla Liikkeeseenlaskijan kaikkien suorien, ehdottomien, ei-

alisteisessa asemassa olevien ja vakuudettomien velvoitteiden kanssa, lukuun ottamatta niitä velvoitteita, joilla on etuoikeus pakottavan lain nojalla.

Velkakirjat ovat vakuudettomia ja takaamattomia Liikkeeseenlaskijan velkainstrumentteja. Liikkeeseenlaskijan konkurssissa Velkakirjanhaltijat olisivat vakuudettomia velkojia ja Velkakirjoihin perustuvat vaatimukset olisivat huomommalla etusijalla kuin Liikkeeseenlaskijan vakuudelliset velkasitoumukset. Liikkeeseenlaskija on antanut yritysikiinnitykset vakuudeksi vuokrasopimuksien yhteydessä annettaville tavanmukaisille pankkitakauksille, sekä 4 miljoonan euron valmiusluottolimitille (*standby credit limit*) ja 2 miljoonan euron pankkiluottolimitille (*credit limit*), jotka molemmat olivat käyttämättä 30.6.2020 päättyneen katsauskauden lopussa.

#### Arvopapereiden vapaata luovutusta koskevat rajoitukset

Kukin Velkakirja on vapaasti luovutettavissa sen jälkeen, kun se on kirjattu asianomaiselle arvo-osuustilille siltä osin kuin mitä Velkakirjanhaltijan oikeutta vapaasti ostaa tai luovuttaa Velkakirjoja ei ole paikallisessa lainsäädännössä tai muuten rajoitettu. Kukin Velkakirjanhaltija on velvollinen omalla kustannuksellaan huolehtimaan edellä mainittujen rajoitusten noudattamisesta.

#### **Missä arvopapereilla tullaan käymään kauppaa?**

Yhtiö on hakenut Velkakirjojen ottamista kaupankäynnin kohteeksi Helsingin Pörssin päälistalle. Julkisen kaupankäynnin Velkakirjoilla odotetaan alkavan arviolta 5.10.2020 kaupankäyntitunnuksella 'STQJ600024'.

#### **Mitkä ovat arvopapereihin liittyvät keskeiset riskit?**

- Sijoittajat ovat alttiita Liikkeeseenlaskijaan liittyvälle luottoriskille ja voivat menettää sijoitetut varat sekä sijoitukselle kertyneen koron.
- Velkakirjat ovat vakuudettomia ja rakenteellisesti alisteisia kaikelle vakuudelliselle velalle.
- Velkakirjoille ei välttämättä muodostu aktiivista jälkimarkkinaa.
- Koska Velkakirjoille maksetaan kiinteää korkoa, voivat korkovaihtelut vaikuttaa haitallisesti Velkakirjojen arvoon.
- Liikkeeseenlaskijalla voi olla velvollisuus lunastaa ja ostaa Velkakirjat ennen niiden erääntymistä eikä Liikkeeseenlaskija välttämättä pysty rahoittamaan Velkakirjojen takaisinostoa.
- Velkakirjoihin liittyvien transaktioiden toteutuminen riippuu Euroclear Finlandin toiminnasta ja järjestelmästä.

#### **Keskeiset tiedot arvopapereiden yleisölle tarjoamisesta ja kaupankäynnin kohteeksi ottamisesta**

#### **Mitkä ovat arvopaperiin sijoittamisen edellytykset ja aikataulu?**

Ei sovellu. Tämä Esite on laadittu yksinomaan Listaamisen yhteydessä. Esite ei muodosta tarjousta tai tarjouspyyntöä ostaa arvopapereita missään valtiossa.

#### **Miksi tämä esite on laadittu?**

Yhtiö on laatinut ja julkaissut tämän Esitteen hakeakseen Velkakirjojen ottamista julkisen kaupankäynnin kohteeksi Helsingin Pörssin päälistalle.

#### Verojen käyttötarkoitus ja arvioitu nettomäärä

Tarjouksesta saadut kokonaisnettotuotot Liikkeeseenlaskijalle sille maksettavaksi tulevien maksujen ja kulujen jälkeen olivat noin 22,65 miljoonaa euroa. Liikkeeseenlaskijan Tarjouksesta saamat nettotuotot käytetään (i) Yhtiön olemassa olevan 1.6.2015 liikkeeseen lasketun (24.9.2015, 31.7.2018 ja 18.5.2020 muutetun) 24 500

000 euron senioriehtoisen kiinteäkorkoisen joukkovelkakirjalainan takaisinmaksuun sekä (ii) Yhtiön yleisiin rahoitustarpeisiin.

#### Olennaisimmat eturistiriidat

Danske Bank A/S ("**Pääjärjestäjä**") on toiminut Tarjouksen ja Listaamisen pääjärjestäjänä. Pääjärjestäjän ja sen kanssa samaan konserniin kuuluvat yhtiöt ovat saattaneet, tai saattavat tulevaisuudessa, tarjota Yhtiölle ja sen tytäryhtiöille sijoitus- tai muita pankkipalveluita tavanomaisen liiketoiminnan puitteissa. Pääjärjestäjä ja sen kanssa samaan konserniin kuuluvat yhtiöt voivat pitää positioita, toimia markkinatakaajina tai käydä kauppaa Velkakirjoilla, niihin liittyvillä johdannaisilla tai muilla referenssiomaisuuksilla, sisältäen (muttei rajoittuen) solmimalla suojausstrategioita Liikkeeseenlaskijan ja tämän kanssa samaan konserniin kuuluvien yhtiöiden, sijoittaja-asiakkaiden puolesta tai toimeksiantajana hallinnoidakseen niiden altistumista, niiden yleistä markkinariskiä tai muita kaupankäyntitoimia. Lisäksi tavanomaisessa liiketoiminnassaan Pääjärjestäjä ja/tai sen kanssa samaan konserniin kuuluvat yhtiöt voivat tehdä tai pitää monenlaisia sijoituksia ja aktiivisesti käydä kauppaa vieraan ja/tai oman pääoman ehtoisilla arvopapereilla (tai niihin liittyvillä johdannaisilla) ja rahoitusinstrumenteilla (sisältäen pankkilainat) omaan tai asiakkaidensa lukuun. Tällaisiin investointeihin ja arvopapereihin voi liittyä Liikkeeseenlaskijan tai sen kanssa samaan konserniin kuuluvien yhtiöiden ja niihin liittyvien tahojen arvopapereita ja/tai instrumentteja.

Pääjärjestäjä tai sen kanssa samaan konserniin kuuluvat yhtiöt, joilla on lainasuhde Liikkeeseenlaskijan kanssa, rutiininomaisesti suojaavat itsensä luottoriskiltä suhteessa Liikkeeseenlaskijaan tavanomaisten riskinhallintakäytäntöjensä mukaisesti. Tyypillisesti Pääjärjestäjä ja sen kanssa samaan konserniin kuuluvat yhtiöt suojautuisivat tällaiselta riskiltä toteuttamalla transaktioita, jotka koostuvat joko luottoriskinvaihtosopimuksien hankkimisesta tai lyhyiden positioiden luomisesta, mahdollisesti sisältäen Velkakirjoja. Kaikki tällaiset positiot saattavat vaikuttaa Velkakirjojen tulevaan kaupankäyntihintaan epäsuotuisasti. Pääjärjestäjä ja sen kanssa samaan konserniin kuuluvat yhtiöt voivat myös tehdä sijoitussuosituksia ja/tai julkaista tai ilmaista itsenäiseen tutkimukseen perustuvia näkemyksiä koskien tällaisia arvopapereita tai rahoitusinstrumentteja ja voivat pitää tai suositella asiakkaille, että he hankkisivat, pitkiä ja/tai lyhyitä positioita tällaisista arvopapereista ja instrumenteista.

#### **Sovellettava laki ja riidanratkaisu**

Tarjoukseen ja Velkakirjoihin sovelletaan Suomen lakia ja kaikki Tarjoukseen ja Velkakirjoihin liittyvät erimielisyydet ratkaistaan Suomen käräjäoikeuksissa Suomen lain mukaisesti.

## RISK FACTORS

*Investors considering investing in the Notes should carefully review the information contained or, incorporated by reference, into this Prospectus and, in particular, the risk factors described below and in the stock exchange releases to be published by the Issuer after the Listing. Factors possibly affecting the investment decision are also discussed elsewhere in this Prospectus. Should one or more of the risks described herein materialise, it may have a material adverse effect on Solteq's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.*

*The following description is a summary of certain risk factors that may affect the Issuer's ability to fulfil its obligations under the Notes or that are considered by the Issuer to be material in order to assess the market risk associated with the Notes. This description is based on the information known and assessed by the Issuer at the time of preparing this Prospectus, and, therefore, the description of the risk factors is not necessarily exhaustive. The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons which may not be considered significant risks by the Issuer based on information currently available to it and which it may not currently be able to anticipate. Most of these factors are contingencies which may or may not occur. All investors should make their own evaluations of the risks associated with an investment in the Notes and consult with their own professional advisers if they consider it necessary.*

*The risk factors presented herein have been divided into eight (8) categories based on their nature. Within each category, the risk factor estimated to be the most material on the basis of an overall evaluation of the criteria set out in the Prospectus Regulation is presented first. However, the order in which the risk factors are presented after the first risk factor in each category is not intended to reflect either the relative probability or the potential impact of their materialisation. The order of the risk categories does not represent any evaluation of the materiality of the risk factors within that category, when compared to the risk factors in another category.*

*The capitalised words and expressions in this section shall have the meanings defined in "Terms and Conditions of the Notes".*

### **Risks Relating to the Markets in which Solteq Operates**

#### ***The global digital services and software industry is characterised by strong competition***

The global digital services and software industry is highly competitive, and Solteq has several regional, national and international competitors in its various products and services. Consequently, Solteq is exposed to a variety of different competitive environments. The competitive landscape may also change in the future resulting from new market entrants or changes in the structure of the market and the competition might become even fiercer as a result of such new market entrants. There can be no assurance that Solteq will be able to compete successfully against any existing or new competitors. Customer consolidation will intensify competition and may, particularly in the retail sector, cause Solteq to lose its market share or lead to increased bargaining power for customers which may affect Solteq's margins negatively. Changes in the market position between Solteq's competitors or market dominance achieved by one or more of Solteq's major competitors may also adversely affect Solteq's operating conditions. Competition coming from lower cost level countries such as India or other low wage countries may also lead to intensifying price competition in the industry. In order to meet the demands of its customers, Solteq will be required to maintain continuous sales and ensure the all-time availability of services to its customers. Increasing customer awareness and the resulting changes in customer demands may also require Solteq to produce an increasing share of its products and services in Finland, thereby increasing its cost of production and consequently increasing its customer prices. Solteq may fail in its pricing, product or service selection or product or service development, or that the competitors of Solteq will be more successful in this than Solteq. Increased competition in the markets in which Solteq operates may also force Solteq to reduce the prices of its products and services, which could lead to significant decrease in its profitability.

In order to remain competitive, Solteq will be required to continuously develop and introduce newer and more advanced information technology ("IT") solutions. If Solteq's competitors introduce new products or pricing policies to the market or if Solteq is not able to compete by offering attractive products or services, it may lose its market share or suffer losses in part or all of its areas of operation. Intensified competition may lead to increased price pressure on the products and services provided by Solteq, especially if competitors strive to

increase their market shares. This, in turn, may weaken Solteq's ability to maintain or improve its profitability. Changes in the competitive environment, the failure of Solteq to adjust to and manage these changes and other competition related risks may have a material adverse effect on Solteq's business, financial condition, results of operations and future prospects and, thereby, on Solteq's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Solteq's business, financial condition, results of operations and future prospects could be adversely affected by uncertain global economic and financial market conditions***

Solteq has been, and may also in the future be affected, by uncertainty in the global economy and financial markets. Since a large portion of Solteq's revenues are generated in the Nordic countries, Solteq is particularly vulnerable to increased economic uncertainty, recession, depression and other adverse developments in the macroeconomic conditions in these core markets. Uncertainty in the global economy and financial markets may both result from and be a result of, for example, deterioration in business and consumer confidence leading to decreased investment activity and consumer spending, negative employment trends, increasing level of public debt and rising interest rates. Such uncertainty has most recently been caused by, the corona virus disease ("**COVID-19**") and the measures taken by governments to address the COVID-19 pandemic and the widespread economic and social consequences thereof. In addition, concerns over the increased political uncertainty both internationally and within Europe, due to among others, the exit of the United Kingdom from the European Union, the on-going sovereign debt issues in certain European countries and the deteriorated trade relations between the United States and the People's Republic of China, as well as other unforeseen events, may have an adverse effect on the global economy and subsequently weaken the market conditions in which Solteq operates. Such adverse changes in Solteq's operating environment may, among others, lower customers' willingness to invest in IT services and thereby reduce Solteq's sales and profitability. The general economic conditions, which are influenced by many factors beyond Solteq's control, thereby have a direct impact on the business, financial condition, results of operations and future prospects of Solteq.

These impacts, varying in terms of the scope, may include significantly reduced returns, inability to acquire necessary credit, inability to meet the covenant and other terms related to financial and other restructuring arrangements and inability to fulfil obligations related to financing. Further, even if the availability of financing could be secured, financing may not necessarily be available at a reasonable price or on reasonable terms. There can be no assurance that Solteq's liquidity and access to financing will not be affected by further changes in the financial markets or that its capital resources will, at all times, be sufficient to satisfy its business and liquidity needs.

Additionally, global competition, changes in business models, the uncertainty related to global market conditions, such as unfavourable movements of the global gross domestic product (GDP) and unexpected political extensions related to trade, may increase unemployment, lower growth estimates, disturb the implementation of Solteq's strategy and weaken the demand of Solteq's products and services by, among others, weakening the financial position and solvency of the customer companies of Solteq and limiting their ability and willingness to buy products provided by Solteq to the same extent as before.

Materialisation of any of the above-mentioned risks and a general economic downturn could reduce the demand for Solteq's products and services and lead to an adverse effect on Solteq's business volumes, asset values, future cost of debt and access to financing which may, in turn, have a material adverse effect on Solteq's business, financial condition, results of operations and future prospects and, thereby, on Solteq's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Internationalisation and risks associated with business outside of Finland***

Internationalisation is an essential aspect of Solteq's growth strategy and over the last years, Solteq has increasingly been seeking growth from the Nordic countries through acquisitions as well as by capturing the organic growth available on the Nordic market. A large portion of Solteq's sales and profits are generated in its international subsidiaries and in the upcoming years, an increasing part of Solteq's growth is expected to come from the Nordic countries. In 2019, Solteq's international subsidiaries were able to increase their net sales, improve their profitability and further develop their business operations. Failure to adapt Solteq's services or provide the right services to the Nordic countries or otherwise meet the local demand or recruit key personnel, or failure to successfully execute or integrate possible acquisitions, may severely impede Solteq's business operations or may require Solteq to reorganise or wind down its Nordic business operations in part or in whole, or force Solteq to withdraw from some or all of its relevant markets. Such adverse events may also

weaken Solteq's financial position, or weaken its ability to meet its contractual obligations, which may result in Solteq incurring material additional costs. Any such measures may be associated with significant one-off charges and cause Solteq to lose its market share, which may, in turn, adversely affect Solteq's revenue expectations and impede its competitiveness.

While most of Solteq's cash flows are in euros, growth in the Nordic countries as well as business operation elsewhere in Europe will inevitably increase Solteq's exposure to foreign currency risks. As a portion of Solteq's revenues are generated internationally, fluctuations of currencies such as the Swedish, Norwegian and Danish kronas and the Polish zloty against the euro may have an impact on Solteq's consolidated financial statements. During the six months ended 30 June 2020 and financial year ended 31 December 2019, no currency rate hedges were used. Any of the above events may have a material adverse effect on Solteq's business, results from operations and financial position and, thereby, on Solteq's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

## **Risks Relating to Solteq's Business Operations**

### ***COVID-19 may have a material adverse effect on the business operations of Solteq***

The COVID-19 pandemic could have a material adverse effect on the business operations of Solteq. The COVID-19 pandemic and the measures taken by governments to address the pandemic and the relating economic and social disruption have caused significant uncertainty in the global economy and financial markets, and is generally expected to have a significant negative impact on markets and the GDP during 2020 and potentially future years. While several governments have already announced financial recovery and stimulus packages to address the financial distress caused by the COVID-19 pandemic, concerns still remain as to whether these policy tools will prove successful in supporting the economy and countering the adverse macro- and microeconomic consequences of the pandemic. In addition, the COVID-19 pandemic could significantly impede global economic growth and have a significant negative impact on business operations globally, potentially increasing costs, affecting the health and wellbeing of Solteq's employees and reducing the demand for Solteq's products and services and, thereby, adversely affecting the business, result from operations and financial position of Solteq.

Solteq's operations have been relatively resilient and according to the management's view, Solteq has the capacity to overcome the pandemic's current negative impacts on its business operations. Solteq's management has been closely assessing the effects of COVID-19 on its business and so far, the pandemic has had no negative effects on the Company on the whole. However, the future impact of the pandemic on Solteq's operations and profitability is inherently difficult to estimate. The Company's operations may be affected or its costs may increase for example if the productivity of its employees decreases due to disturbances to work, increased absences from work or difficulties in communication between employees working remotely. Solteq's current customers may terminate, suspend or downscale ongoing projects or services, and current and new customers may delay their decision-making with respect to new projects or may decide not to make new orders from Solteq. On 3 April 2020, Solteq cancelled its guidance for the financial year 2020 due to uncertainties caused by the COVID-19 pandemic and on 29 April 2020 Solteq announced that it had decided to cancel its proposal for the distribution of dividend. Even though Solteq was able to issue a new guidance for the financial year 2020 in its interim report on 13 August 2020, the management further expects that during 2020, effects will be felt particularly owing to delayed projects and falling contract volumes within the travel, restaurant, and leisure industries. At the same time, the pandemic has been accelerating the digital transition and the change in companies' operating environments. Solteq believes that this will speed up demand for, among other things, digital expert services and solutions, such as eCommerce solutions and software products as the customers of Solteq are making investments in new digital services, securing business continuity, and optimising costs. However, a significant weakening of the global economy in terms of weakened global economic activity and business operations caused by a potential prolongation, the new waves or the increased negative effects of the COVID-19 pandemic could have a material adverse effect on Solteq's business, results from operations and financial position and, thereby, on Solteq's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

### ***Unsuccessful project, services or contract management may lead to the loss of important customer relationships, damages and additional costs and cause Solteq to incur financial losses***

Solteq's business operations are based on a comprehensive set of product and service agreements. Solteq's business is mainly project and service based. In order to successfully manage comprehensive projects, Solteq must be able to maintain project cost and time estimates and the experience, performance and skills of its

employees. The management of such projects includes a number of risks for Solteq relating to, among others, scheduling, budgeting, work volume and successful implementation. In addition, such risks include various contractual risks affecting the profitability of both customer relationships and projects. In order to ensure the profitability of Solteq's customer relationships and projects, it is essential for the Group companies to succeed in making correct estimates of the solutions, implementation methods and work volumes required under the agreements and deliveries, as well as of the contractual risks prior to starting the relevant project. In addition to project agreements, the contract structure of Solteq also includes maintenance agreements, support agreements and software service agreements. Solteq's business operations are thereby also dependent on the availability, functionality and maintenance of the required software systems and IT infrastructure, including cloud-based technology which plays a key role in the services. In order to meet its obligations under these agreements, Solteq must at all times be able to ensure service continuity. Such services, among others, are provided to customers' business critical systems. Failure to provide adequate services or failure in the service may seriously affect the operational prerequisites of Solteq's customers and result in Solteq incurring substantial additional costs and/or facing liabilities for compensation and/or damage on the reputation of Solteq.

There can be no assurance that the Group companies will not fail to meet the obligations of their respective customer agreements. Solteq may not, for instance, in all circumstances be able to deliver a certain product or service at an agreed price, or the customer expectations of the qualities of a certain product or service may not necessarily fully correspond to the qualities of the products or services that have been delivered by Solteq. Customer expectations do not always correspond to the agreement and the complexity of Solteq's customer agreements may cause misunderstandings and customer dissatisfaction. Failure to meet contractual obligations and the failure to manage the risks relating to service continuity and maintenance of software systems may lead to additional costs, customer compensation claims, the loss of customer relationships and/or a decline in the level of trust of Solteq's customers in the Group. Any of the foregoing may have a material adverse effect on Solteq's business, financial condition, results of operations and future prospects and, thereby, on Solteq's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Solteq is exposed to risks associated with scheduling and pricing of sales that constitute its revenue***

A significant share of the total revenue from Solteq's business operations is generated from information system development projects delivered to both existing and new customers. In order to achieve its financial goals, Solteq will have to sell a sufficient number of these projects annually and schedule and price them in such a manner that they can be implemented profitably with sufficient probability. Solteq monitors its current sales projects on a regular basis and, if necessary, takes measures to adjust the number of projects and their scheduling and pricing. Solteq manages its risks relating to scheduling and pricing among others through splitting large-scaled projects into smaller, more manageable phases and through using a pricing model based on time and material or target prices rather than fixed prices. It is possible that adverse changes in customer demand, economic fluctuation, competitive situation in the industry, changes in the cost level and other factors will have an adverse effect on Solteq's possibilities to implement a sufficient number of projects at a sufficient profitability level. Solteq may not be able to obtain all the information that is required from its customers for the appropriate implementation and finalisation of its projects, or Solteq may make miscalculations or other errors in the estimation of the work required for completing a project. The entry of income from projects may also be delayed due to such or any other discretionary and unforeseen changes in project schedules, which may further result in Solteq incurring additional costs. The failure in securing new sales or the scheduling or pricing thereof may thereby adversely affect Solteq's profitability. The materialisation of any of the aforementioned risks have a material adverse effect on Solteq's business, financial condition, results of operations and future prospects and, thereby, on Solteq's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Solteq's business may be adversely affected by the loss of key personnel or the inability to recruit new talent***

The foundation of Solteq's operations is the strong and continuous development of the competencies of its personnel. Solteq's ability to remain competitive and develop its operations in accordance with its strategic objectives will depend, to a significant degree, on its ability to maintain and develop the competencies of its personnel as well as on its ability to retain and recruit senior management, key personnel as well as other competent employees. A part of this competence is held by certain of key personnel who are particularly important in ensuring that Solteq retains and develops its competitiveness. Losing competent personnel, failing

in the recruitment of new personnel or in the maintenance and development of the competencies of its personnel may cause Solteq to incur additional costs and negatively affect Solteq's ability to provide services to its customers and its competitiveness. High employee turnover may also cause delays in the completion of customer projects, leading to contractual breaches and potentially the loss of important customers, and thereby cause Solteq to incur financial losses. In addition, Solteq's reputation as an employer that offers career advancement opportunities to both professionals looking for managerial positions as well as other competent personnel may suffer if Solteq fails in retaining its existing personnel. The competition for highly skilled personnel is intense and there can be no assurance that Solteq will be able to recruit or retain personnel that is required to operate and develop Solteq's activities.

Solteq is committed to maintain a good relationship with employees and labour unions and to the extent known by the management, there have not been any significant labour disputes in the 12 months preceding the date of this Prospectus nor are there any threatening disputes. Solteq is nonetheless subject to the risk of labour disputes and other adverse employee relations, including but not limited to strikes and other industrial action. The majority of Solteq's employees are represented by labour unions under certain collective bargaining agreements. The employer organisations representing Solteq may be unable to renegotiate accepted collective bargaining agreements when the current ones expire. Would such labour disputes or other adverse employee relations occur, they could lead to interruptions in Solteq's business operations and consequently result in Solteq incurring material additional costs.

If any of the aforementioned risks materialise, they may have a material adverse effect on Solteq's business, financial condition, results of operations and futures prospects and, thereby, on Solteq's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

#### ***Solteq is exposed to risks associated with changes in the level of costs***

A majority of Solteq's costs are either directly or indirectly related to personnel costs. An increase in the personnel costs of Solteq will adversely impact its competitiveness in the market if Solteq is not able to embed the changes in the cost level to its customer prices or to streamline its operations. An increasing competition for highly skilled personnel and a lack of skilled workforce in the IT sector may increase Solteq's costs of recruitment in the future or make it difficult to find personnel with the necessary skills. In terms of cost changes, the Group will partly depend on decisions in the general labour market policy as well as on the outcome of any renegotiations of existing collective bargaining agreements. A general increase in salaries as a result of new or revised collective bargaining agreements or increases in non-wage labour costs, such as pensions, social security and insurance contributions, may also significantly increase Solteq's personnel costs. Increased inflation may also increase Solteq's cost of production, through among others increasing its personnel and other operating costs, and there can be no assurance that Solteq will be able to embed such cost increases in its customer prices, should the resulting cost increases be significant. The above events may have a material adverse effect on Solteq's business, financial condition, results of operations and future prospects and, thereby, on Solteq's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

#### ***Solteq is exposed to risks related to information security***

Solteq processes the personal data of its customers and collaboration parties in the course of its business operations, and is a Data Processor in terms of the EU General Data Protection Regulation (EU 2016/79, "GDPR") in respect of most of its products and services. When providing products and services, Solteq is also granted access to its customers' major IT systems. The business operations of Solteq thus involve notable information security risks, such as, leaks of information to third parties related to business secrets, customer-specific projects, pricing and other information. Other material risks related to information security include the risk of hacking and cyber-attacks, which may interrupt Solteq's or its customers' business and result in the loss of valuable information or leaks of personal data or other sensitive and valuable information as well as lead to downtime in operations as well as claims by clients. Aforementioned could result Solteq incurring substantial additional costs and/or facing liabilities for compensation and/or sanctions and/or damage on the reputation of Solteq.

Solteq maintains significant information systems for some of its customers. Solteq seeks to ensure the undisturbed operation of its customers' IT systems and to avert risks related to information security by observing practices prevailing in the industry. Notwithstanding the above, the IT systems are not necessarily free of defects, which is why malfunctions and/or information security vulnerabilities may seriously affect the

operational prerequisites of Solteq's customers and result in Solteq incurring substantial additional costs and/or facing liabilities for compensation and/or damage on the reputation of Solteq. If materialised, the aforementioned risks may have a material adverse effect on Solteq's business, financial condition, results of operations and futures prospects and, thereby, on Solteq's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Failure of executing Solteq's strategy or failure of the strategy itself may reduce Solteq's growth in the future***

Solteq redefined its strategy in 2017 by setting objectives on, among other things, positioning itself as a Nordic industry-independent IT provider and software house specialising in digital business solutions and increasing revenue share generated by cloud services and other continuity services in its solutions offering. Factors such as internationalisation, product development and investments in recruitment form an essential part of Solteq's growth strategy. Solteq's strategy is described in more detail under section "*Business of Solteq – Strategy and growth*".

The successful implementation of Solteq's strategy depends upon a number of factors, some of which are outside Solteq's control. Additionally, Solteq may not be able to successfully execute its strategy due to, for example, regulatory changes, lack of financial resources, failure to develop its product and services offering, lack of personnel or inability to retain and expand its sales. In response to changes in the operating environment, Solteq may also decide to change its internationalisation strategy. Even if Solteq succeeds in the execution of its strategy there can be no assurance that such strategy is or will be successful. Although Solteq's management believes that Solteq's current risk management supports the achievement of its strategic goals, a failure of addressing the strategic risks correctly, as well as a failure of implementing its strategy successfully, may require Solteq to reorganise or wind down its business operations in part or in whole, or force Solteq to withdraw from some or all of its relevant markets. Any such measures may be associated with significant one-off charges and cause Solteq to lose its market share, which may, in turn, adversely affect Solteq's revenue expectations and impede its competitiveness. The materialisation of any of the aforementioned risks may have a material adverse effect on Solteq's business, financial condition, results of operations and futures prospects and, thereby, on Solteq's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Solteq is exposed to risks related to investments in research and development***

The profitability and growth of Solteq will to a significant degree depend on its ability to identify its customers' needs and respond to them, as well as on its ability to develop new services and products. Solteq will therefore, based on the products of the partners it represents, develop additional solutions that support its customers' business operations, carry out product and service development as well as further develop its production processes and capacity. In recent years, Solteq has particularly focused on developing products and services that combine artificial intelligence ("AI"), machine vision and autonomous robotics as well as made significant investments into its cloud-based software products and services. During the six months ended 30 June 2020 and for the financial year ended 31 December 2019, the Group invested EUR 1.8 million and EUR 3.9 million, respectively, in the development of its own software products and services. The most significant research and development investments were made in autonomous robotics, the software systems used in the utilities business and the Point-of-Sale programme. However, there can be no assurance that customers will start to use Solteq's new products and services nor that Solteq will continually be able to respond to the customers' needs with new products and services. In this case, Solteq would not be able to utilise the investment it has made in developing new services, products or processes, or its resources will not necessarily be sufficient to keep in pace with development. There is thereby a risk that Solteq will not be able to utilise the significant investments it has made in the development of, among others, autonomous robotics or be able to make the investments required to compete in the market. It is also possible that Solteq will make or have made errors in its product development that may become evident later and that error repairs or damages payable to its customers will result in Solteq incurring costs. If the investments cannot be utilised in the future, Solteq may need to write down investments that it has activated.

If any of the aforementioned risks materialise, they may have a material adverse effect on Solteq's business, financial condition, results of operations and futures prospects and, thereby, on Solteq's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

### ***Solteq is exposed to risks associated with collaboration agreements***

The Group companies depend to a significant extent on their collaboration partners. The functions that depend on collaboration partners include business areas in which Solteq focuses on the deployment of the collaboration partners' products or on the added value products developed. The business operations of the Company also depend on the dealership agreements with its significant partners such as Microsoft, HCL and LS Retail. The deployment of collaboration partners' products constitute an important source of revenue for Solteq and a significant part of Solteq's net sales is currently attributable to its major collaboration agreements. Should any of Solteq's important collaboration partners significantly increase their prices or otherwise significantly change their pricing models, this may lead to cost increases which Solteq may not necessarily be able to embed in its customer prices. Potential terminations of the agreements or material changes in the contractual terms, possible disagreements concerning the meeting of contractual obligations or the inability of third parties to meet their contractual obligations may severely impede Solteq's business operations and also result in Solteq incurring material additional costs, which may further adversely affect Solteq's profitability and competitiveness.

If any of the aforementioned risks materialise, they may have a material adverse effect on Solteq's business, financial condition, results of operations and future prospects and, thereby, on Solteq's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

### ***Solteq may not be able to protect its intellectual property rights in all circumstances and it may become liable to indemnify damages from third-party infringements***

The success, competitiveness and growth of Solteq will partly depend on its ability to protect the intellectual property rights related to its products, and to supervise the operations of third parties in case of trade mark or intellectual property infringements. Solteq mainly protects its intellectual property rights through copyrights, trademark registration, business secrets and non-disclosure agreements. Furthermore, the software products delivered to the customers of Solteq are protected by restrictions included in the licence terms. Solteq also strives to ensure that appropriate restrictions are included in the agreements concluded with the employees, partners, customers, subcontractors and other third parties. However, Solteq cannot guarantee that the measures taken to protect its intellectual property rights are sufficient in all circumstances. It is also inherently difficult to demonstrate any infringement of intellectual property rights, particularly the copying of software. Neither are there any guarantees that third parties would not copy or contest Solteq's intellectual property rights or acquire such intellectual property rights that would require Solteq to consider such rights in its operations, acquire possibly available user rights, discontinue the use and delivery of a product protected by such intellectual property rights or pay damages for the violation of intellectual property rights.

The future development of the robotics business will to a great extent depend on Solteq's ability to achieve protection for its innovations. In addition to other protection measures available, to achieve patent protection, an invention must be of practical use and show an element of novelty, i.e., some new characteristic not known in the body of existing knowledge in its technical field. Solteq's ability to patent its innovations will thereby also be dependent on the innovations made by its competitors. Patent protection is granted for a limited period, and the maintenance of patent protection usually requires the payment of annual renewal fees. Once a patent expires, the protection of the invention ends, which makes it possible for third parties to commercially exploit the invention without infringing the patent. Due to the aforementioned factors, the management expects the risks associated with patent protection to increase in the following five (5) years.

Solteq has contractual obligations to indemnify, defend and/or hold harmless Solteq's customers and other business partners against liability and damages arising from third-party claims of patent, copyright, trademark or trade secret infringement concerning software or other solutions provided to Solteq's customers or other business partners. Solteq may be required to defend and/or hold harmless customers or other business partners for actual or alleged infringement situation.

The establishment, protection, enforcement and indemnification obligations of intellectual property rights may require significant financial resources. In addition, Solteq's expansion into new markets will increase the costs of establishing, protecting and enforcing its intellectual property rights. Solteq may also incur significant costs or become subject to pay damages or compensation if it should be required to enforce, protect or respond to alleged or actual infringements of intellectual property rights in a legal or other proceeding or defend itself against potential claims brought against it concerning the violation or validity of intellectual property rights.

If any of the aforementioned risks materialise, they may have a material adverse effect on Solteq's business, financial condition, results of operations and future prospects and, thereby, on Solteq's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

### ***Solteq's business is dependent on certain key customers***

Solteq has a wide customer base and its revenue consists of several individual customers. The business of Solteq is nonetheless dependent on certain of its key customers, as slightly over one third (1/3) of Solteq's revenue for the six months ended 30 June 2020 and in 2019 were attributable to the ten (10) largest customers of the Group. Solteq acknowledges that the loss of one or more important customer, a significant change in the demand and strategy of these customers, or sudden changes in the financial standing of these customers might lead to decreased revenue and profitability. If any of the aforementioned risks materialise, they may have a material adverse effect on Solteq's business, financial condition, results of operations and futures prospects and, thereby, on Solteq's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

### **Legal, Regulatory and Compliance Risks**

#### ***Changes in and non-compliance with the applicable laws and regulations applied to Solteq's business operations could incur costs to and require Solteq to adapt new measures to ensure compliance with such laws and regulations***

Solteq's operations are subject to laws, regulations and regulatory requirements on national and international level. These laws include, among others, laws and regulations related to new data and privacy protection, labour, employment, health, safety as well as securities markets, corporate and tax laws. As an example, cash register systems in Sweden require an approval from Swedish tax authorities with respect to certain required features of the system.

Solteq is also subject to increasing data security requirements together with some of its collaboration partners and major corporate customers. Solteq collects, stores and uses customer, employee and corporate data that is protected by data protection laws in the ordinary course of its business, and the protection of such data is of critical importance to Solteq. The GDPR, which entered into force on 25 May 2018, applies to all processing of personal data, i.e., any operation performed on information relating to an identified or identifiable natural person (data subject), within the European Union ("EU"). Any breaches of security of Solteq's database or its processing of personal data, violations of applicable data protection regulation either by Solteq or any of its collaboration partners, or any leakage of personal data may result in sanctions and damage Solteq's reputation.

Changes in the laws and regulations, such as the upcoming ePrivacy regulation (European Commission proposal for regulation concerning the respect for private life and the protection of personal data in electronic communications) could require Solteq to adapt, among others, its business operations or strategy, and therefore, result in significant costs in complying with new and potentially more stringent regulations. In general, legislative environment concerning IT-services and data has been and is likely to continue to adopt new laws, regulations and regulatory requirements with sanctions for non-compliance which concern Solteq's business operations and may adversely affect its ability to operate. There can be no assurance that Solteq's costs for compliance will not significantly increase as a result of new and amended laws or regulations, or as a result of stricter interpretations or stricter enforcement of existing laws and regulations in the future. Neither can there be any assurance that Solteq will not incur other material costs or liabilities affecting the results of its operations in relation to potential non-compliance with applicable laws and regulations. The penalties for non-compliance of GDPR or upcoming ePrivacy regulation could be several million euros or a percentage of Solteq's worldwide turnover. Solteq's failure to comply with any applicable laws and regulations, including laws related to corruption, bribery, and fraudulent activity, could also damage Solteq's reputation.

If any of the aforementioned risks materialise, they may have a material adverse effect on Solteq's business, financial condition, results of operations and future prospects and, thereby, on Solteq's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Solteq may be negatively affected by legal or other official proceeding directed at any of the Group companies or other disputes and claims***

As at the date of this Prospectus, none of the Group companies is involved in any material court proceedings or in arbitration or other official proceedings. However, as Solteq is exposed to various legal risks in the course of its business, a number of lawsuits or threats of lawsuits, claims and proceedings may in the future be asserted against Solteq, including those pertaining to contractual responsibility, employer liability, intellectual property, data protection and competition law matters. In addition, while Solteq strives to resolve any conflicts that may arise in the course of its business primarily through negotiations, no assurance can be made that Solteq will also in the future be able to resolve such conflicts without commencing legal proceedings. Such legal proceedings are costly, divert management attention and may result in significant reputational damage for Solteq. It is inherently difficult to predict the outcome of any potential legal, regulatory and other adverse proceedings or claims that Solteq may become subject of, and there can be no assurance as to the outcome of such proceedings or claims. An unfavourable outcome in any future proceeding could lead, for instance, to liability to pay compensation or damages. If any of the aforementioned risks materialise, they may have a material adverse effect on Solteq's business, financial condition, results of operations and future prospects and, thereby, on Solteq's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Solteq's tax burden could increase as a result of changes to tax laws or their application is exposed to risks related to taxation***

Solteq is subject to income taxation in more than one jurisdiction. The estimation of Solteq's total income taxes requires thorough consideration and numerous filings in various jurisdictions. In some cases the final amount of income taxes may remain uncertain or become subject to later adjustments. Changes in tax legislation or interpretation by public authorities may cause financial losses to Solteq or otherwise weaken its financial position. Even though Solteq strives to ensure that the Group companies comply with tax legislation and regulation of authorities, the risks related to taxation may, if they materialise, have an adverse effect on Solteq's business, financial condition, results of operations and future prospects.

The Company is at times subject to tax audits conducted by national tax authorities. Tax audits or other auditing measures carried out by the authorities may result in an imposition of additional taxes and sanctions which in turn could lead to an increase in the amount of tax liabilities to be paid by Solteq. The financial figures presented herein and in the financial statements included into this Prospectus by reference have not been subject to tax audit. Any deviations detected in tax inspections, which might lead to tax adjustments with possible tax increases and sanctions, may cause financial losses and may have a material impact on Solteq's business, financial condition, results of operations and future prospects.

**Risks Relating to Solteq's Financing**

***Solteq may not necessarily be able to obtain financing at competitive terms or at all***

The terms of financing available for Solteq are affected by the development of Solteq's business. Uncertainty in the financial markets may mean that the price of the financing required to carry out Solteq's business operations will increase and that the availability of financing will decrease. The Company's balance sheet has included and may in the future include loans, the failure to pay the capital or interest of which may cause adverse consequences and weakened competitiveness compared to competitors that have a smaller debt burden. In order to ensure that the Group has sufficient liquid funds to finance its operations and pay the loans that fall due, the Company seeks to continually estimate and monitor the amount of financing required for its business operations. In addition to liquid funds, Solteq seeks to ensure the availability and flexibility of financing through credit limit or similar arrangements.

Solteq might in the future encounter difficulties in obtaining sufficient financing and, as a result, lack the access to liquidity that it needs to ensure a going concern and there can be no assurance that Solteq will be able to meet its financial covenants when required. Any of the foregoing may limit Solteq's ability to raise additional financing on commercially acceptable terms or at all, meaning that Solteq's cost of financing may thereby significantly increase or the going concern is not ensured. Please see "*Business of Solteq – Balance sheet and financing*," for further information on the Company's going concern.

In order to implement its strategy and maintain its ability to meet its obligations as well as to ensure a going concern, Solteq needs a strong cash flow. The availability of funding and its flexibility is ensured by unused credit limits and by using a number of different banks and financing methods in the procurement of funding. As at 30 June 2020, Solteq had a standby credit limit amounting to a total of EUR 4 million and a credit limit of EUR 2 million, which both were unused at the end of the financial period. Any failure to create a sufficient cash flow that support these operations, to acquire sufficient financing at acceptable terms or to manage liquidity risk may severely impede Solteq's ability to operate.

If any of the aforementioned risks materialise, they may have a material adverse effect on Solteq's business, financial condition, results of operations and future and, thereby, on Solteq's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

### ***Solteq is exposed to credit risk through its trade receivables***

Trade receivables from customers and deposit receivables from financial institutions expose Solteq to credit risks. Solteq's operating method defines the creditworthiness requirements and investment principles of the customers and investment transactions, and Solteq uses relatively short payment terms and, when necessary, debt collection services to manage its credit risk relating to its customers. The maximum amount of credit risk corresponds to the balance sheet values of the trade receivables, which amounted to EUR 8.9 million on 30 June 2020. While Solteq hasn't historically suffered material losses due to credit risk being realised, the possibility of credit losses cannot be excluded in the current economic situation and the risk of credit losses has increased due to COVID-19 pandemic. Solteq has not insured its credit risk relating to trade receivables. The financial difficulties of one or more customers may have a negative impact on Solteq's business operations, operating result and financial position. A failure to manage these risks may have a material adverse effect on Solteq's business, financial condition, results of operations and future prospects and, thereby, on Solteq's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

### ***Solteq is exposed to risks related to goodwill and other intangible assets***

Changes in the market situation may also cause risks related to goodwill and intangible assets. No amortisation will be recognised for goodwill. Instead, goodwill and intangible assets will be tested annually for possible impairment. For this purpose, the goodwill is allocated to cash generating units. Goodwill will be measured at cost less impairment losses. As a result of a number of acquisitions, Solteq's consolidated balance sheet includes a significant amount of goodwill. As at 30 June 2020, the Group presented EUR 38.8 million of goodwill and EUR 11.3 million of other intangible assets in its consolidated statement of financial position. As at 30 June 2020, the ratio of goodwill to the Company's total balance sheet was approximately 50.3 per cent.

Solteq performs an impairment test on goodwill annually. The impairment calculations are based on future net cash flow estimates and related management estimates. Other intangible assets are amortised during their useful life and they are reviewed in case of impairment when events or changes in circumstances indicate that the book value of the asset has decreased.

If Solteq records any impairment losses related to goodwill or other intangible assets in the future, such losses would be recognised as a cost in the Company's income statement and this could, depending on the amount of the impairment losses, have a significant adverse impact on Solteq's consolidated financial statements. The realisation of the above risk may have a material adverse effect on Solteq's business, financial condition, results of operations and future prospects and, thereby, on Solteq's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

### **Risks Relating to the Notes as Debt of the Issuer**

#### ***Investors in the Notes are exposed to credit risk in respect of the Issuer and may forfeit interest and principal amount invested***

Investors in the Notes are exposed to credit risk in respect of the Issuer. The investor's possibility to receive interest payments and payments of principal under the Notes is thus dependent on the Issuer's ability to fulfil its payment obligations, which, in turn, is to a large extent dependent on developments in the Issuer's business and the Issuer's financial performance. In particular, should the Issuer become insolvent during the term of the Notes, an investor may forfeit interest payable on, and the principal amount of, the Notes in part or in its entirety. An investor is solely responsible for the economic consequences of their investment decisions.

### ***The Notes will be unsecured and effectively subordinated to any secured indebtedness***

The Notes will not be obligations of anyone other than the Issuer and they will not be guaranteed. No one other than the Issuer will accept any liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes. Should the Issuer become financially distressed, insolvent or bankrupt during the term of the Notes, an investor may forfeit interest payable on, and the principle amount of, the Notes in whole or in part.

The Notes are unsecured and unguaranteed debt obligations of the Issuer. In the event of an insolvency of the Issuer, the Noteholders would be unsecured creditors and claims under the Notes would rank junior to claims under the Issuer's secured indebtedness. The Issuer has given floating charge security as collateral to the customary bank guarantees used in connection with rental agreements as well as to the standby credit limit of EUR 4 million and a credit limit of EUR 2 million both of which were unused at the end of the financial period ending 30 June 2020. In the event of the Issuer's bankruptcy, liquidation, reorganisation, dissolution or winding up of the business of any of the Issuer's subsidiaries, unsecured creditors of such subsidiaries, secured creditors and obligations that may be preferred by provisions of law that are mandatory and of general application generally, will have the right to be paid in full before any distribution is made to the Issuer. Accordingly, in addition to that any adverse change in financial condition or prospects of the Issuer may have a material adverse effect on the liquidity of the Notes, and may result in a material decline in their market price (if a market for the Notes develops and is maintained), such adverse change may endanger the prompt and full payment, when due, of principal, interest and/or any other amounts and items payable to Noteholders pursuant to the Notes from time to time.

### ***The Issuer may be able to merge, effect asset sales or otherwise effect significant transactions that may have a material adverse effect on the Notes and the Noteholders***

The Issuer and its subsidiaries may be able to merge, effect asset sales or otherwise effect significant transactions. Although the Terms and Conditions contain restrictions on the Issuer's ability to enter into a merger, demerger and asset sale transactions these restrictions are subject to a number of significant qualifications and exceptions. Under the Terms and Conditions, in addition to specified permitted asset sales, the issuer or a Group company will be able to merge or demerge subject to the Incurrence Test (as defined herein), provided however that the Issuer has to be the surviving entity in any merger involving it. These provisions may not protect the holders of the Notes (the "Noteholders") from a reduction in the creditworthiness of the Issuer, and in the event the Issuer was to enter into any such transaction, the Noteholders may be materially and adversely affected.

### ***The Issuer may incur additional debt without the consent of the Noteholders***

The Issuer may be able to incur additional debt in the future and additional security and/or guarantees. Although the credit agreements of the Issuer (in addition to incurrence covenants of the Notes) may contain restrictions on the incurrence of additional debt, these restrictions are subject to a number of significant qualifications and exceptions, and debt incurred in compliance with these restrictions could be substantial and secured. Such incurrence of further debt and granting of additional security and/or guarantees may reduce the amount recoverable by the Noteholders upon winding-up or insolvency of the Issuer, or may worsen the position and priority of the Noteholders in such winding-up or insolvency procedure.

### ***No voting rights***

The Notes carry no voting rights with respect to the general meetings of shareholders of the Issuer. Consequently, in the Issuer's general meetings of shareholders the Noteholders cannot influence any decisions by the Issuer to redeem the Notes or any decisions by the Issuer's shareholders concerning, for instance, the capital structure of the Issuer, which could impact the Issuer's ability to make payments on the Notes.

### **Risks Relating to the Marketability of the Notes**

#### ***Active trading market for the Notes may not develop***

The Notes constitute a new issue of securities and there has been no prior public market for the Notes. Although application has been made to list the Notes on Helsinki Stock Exchange, there can be no assurance that such application will be approved. Further, even if the listing application is approved, there can be no assurance that a liquid public market for the Notes will develop, and even if such a market were to develop,

neither the Issuer nor the Lead Manager is under any obligation to maintain such a market. In the absence of a secondary market, Notes may be difficult to sell at a satisfactory market price and the investor should be aware that he or she may realise a loss upon sale if Notes are sold prior to the redemption date. For example, during the height of the COVID-19 crisis in March 2020, secondary market liquidity in the bond markets was very low. Even if the Notes are listed on an exchange, trading in the Notes will not always take place. Thus, it may be difficult and costly for the Noteholders to sell the Notes within a short time frame, or at all, and it may be difficult for the Noteholder to obtain a price that is equivalent to the price obtainable for securities that are traded in a liquid secondary market.

The liquidity and the market price for the Notes can be expected to vary with changes in market and economic conditions, the financial condition and prospects of the Issuer and other factors that generally influence the market prices of securities. Such fluctuations may significantly affect the liquidity and the market price of the Notes, which may trade at a discount to the price at which the Noteholders invested in the Notes.

***Since the Notes bear interest at a fixed interest rate, movements in market interest rates can adversely affect the value of the Notes***

The Notes bear interest on its outstanding principal amount at a fixed interest rate. A holder of a security with a fixed interest rate is exposed to the risk that the value of such security could fall as a result of changes in the market interest rate. While the nominal compensation rate of a security with a fixed interest rate is fixed during the life of such security or during a certain period of time, the current interest rate on the capital market (market interest rate) typically changes on a daily basis. If the market interest rate increases, the value of such a security typically falls, until the yield of such security is approximately equal to the market interest rate. If the market interest rate falls, the value of a security with a fixed interest rate typically increases, until the yield of such a security is approximately equal to the market interest rate. Consequently, the Noteholders should be aware that movements of the market interest rate can adversely affect the value of the Notes and can lead to losses for the Noteholders if they sell their Notes.

***Market value of the Notes may be affected by several factors***

The market value of the Notes will be affected by the creditworthiness of the Issuer and a number of additional factors, including, but not limited to, the value of the reference rate, its volatility, market interest and yield rates. The value of the Notes depends on a number of interrelated factors, including economic, financial and political events in Finland or elsewhere, including factors affecting capital markets generally and the stock exchange on which the Notes are traded. The price at which a holder may be able to sell the Notes from time to time may be at a discount, which could be substantial, to the issue price or the purchase price paid by such holder.

***The Notes or the Issuer are not currently rated by any rating agency***

The Notes or the Issuer are not currently rated by any rating agency. Accordingly, investors are not able to refer to any independent credit rating when evaluating factors that may affect the value of the Notes. The absence of rating may reduce the liquidity of the Notes and/or increase the borrowing costs of the Issuer. One or more independent credit rating agency may independently assign credit ratings to the Issuer and/or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed herein, and other factors that may affect the value of the Notes. A rating or the absence of a rating is not a recommendation to buy, sell or hold securities.

**Risks Relating to the Terms and Conditions of the Notes**

***The Issuer may have an obligation to redeem the Notes prior to maturity and may not be able to finance such repurchase***

As specified in the Terms and Conditions, Noteholders are entitled to demand premature repayment of the Notes in case of an Event of Default (see Clause 13.8 (*Acceleration of the Notes*)) or a Change of Control Event (see Clause 9.4 (*Mandatory Repurchase due to a Change of Control Event (Put Option)*)). The source for any repurchase required as a result of any such event will be available cash or cash generated from operating activities or other sources, including borrowings, sales of assets, sales of equity or funds provided by subsidiaries of the Issuer. If a Change of Control Event or Event of Default occurs, there can be no assurance that the Issuer will have or will be able to generate sufficient funds to repurchase the Notes that have been requested to be repurchased. Such premature repayment may have a material adverse effect on the Issuer's business, financial condition, results of operations and future prospects and, thereby, on the

Issuer's ability to fulfil its obligations under the Notes of such Noteholders who elect not to exercise their right to get their Notes prematurely repaid as well as the market price and value of such Notes.

Such early repayment initiated by the Issuer may incur financial losses or damage, among other things, to such Noteholders who had prepared themselves to have the amount of the Notes invested until the contractual final maturity of the Notes.

***The Issuer has a right to redeem and purchase the Notes prior to maturity***

As specified in the Terms and Conditions, the Issuer may at any time redeem the Notes prior to maturity in full (see Clause 9.3 (*Voluntary Total Redemption*)), illegality (see Clause 9.5 (*Early Redemption due to Illegality*)) or withholding tax (see Clause 9.6 (*Early Redemption due to Withholding Tax Event*)).

Furthermore, in case at least 75 per cent of the aggregate nominal principal amount of the Notes has been repurchased pursuant to a demand by the Noteholders based on a Change of Control Event, the Issuer is entitled to prepay also the remaining outstanding Notes at a price per Note equal to 101 per cent, of the nominal amount of the Note together with accrued but unpaid interest by notifying the Noteholders of such prepayment. Such early repayment initiated by the Issuer may incur financial losses or damage, among other things, to such Noteholders who had prepared themselves to have the amount of the Notes invested until the contractual final maturity of the Notes.

Any such early redemption by the Issuer may incur financial losses or damage, among other things, to such Noteholders who had prepared themselves to have the amount of the Notes invested until the contractual final maturity of the Notes.

In addition, as specified in the Terms and Conditions, the Issuer may at any time purchase Notes in any manner and at any price prior to maturity. Only if such purchases are made through a tender offer, such offer must be available to all Noteholders on equal terms. The Issuer is entitled to retain or resell the Notes at its discretion. Consequently, a Noteholder offering Notes to the Issuer in connection with such purchases may not receive the full invested amount. Furthermore, a Noteholder may not have the possibility to participate in such purchases. The purchases, whether through tender offer or otherwise, may have a material adverse effect on the Issuer's business, financial condition, results of operations and future prospects.

**Risks Relating to the Status and Form of the Notes**

***The completion of transactions relating to the Notes is dependent on Euroclear Finland Oy's ("Euroclear Finland") operations and systems***

The Notes are issued in the book-entry securities system of Euroclear Finland. Pursuant to the Act on Book-Entry System and Clearing Operations (Fi: *laki arvo-osuusjärjestelmästä ja selvitystoiminnasta*) (348/2017, as amended), the Notes will not be evidenced by any physical note or document of title other than statements of account made by Euroclear Finland or its account operator. The Notes are dematerialised securities and title to the Notes is recorded and transfers of the Notes are effected only through the relevant entries in the book-entry system and registers maintained by Euroclear Finland and its account operators. Therefore, timely and successful completion of transactions relating to the Notes, including but not limited to transfers of, and payments made under, the Notes, depend on the book-entry securities system being operational and that the relevant parties, including but not limited to the payment transfer bank and the account operators of the Noteholders, are functioning when transactions are executed. During the term-to-maturity of the Notes, Euroclear Finland's systems to process the Notes may change materially due to the expected introduction of the TARGET2-Securities platform of the European System of Central Banks. Any malfunction or delay in the book-entry securities system or any failure by any relevant party may result in the transaction involving the Notes not taking place as expected or being delayed, which may cause financial losses or damage to the Noteholders whose rights depended on the timely and successful completion of the transaction.

The Issuer or any other third party will not assume any responsibility for the timely and full functionality of the bookentry securities system. Payments under the Notes will be made in accordance with the laws governing the book-entry securities system, the rules of Euroclear Finland and the Terms and Conditions. For purposes of payments under the Notes, it is the responsibility of each Noteholder to maintain with its respective book-entry account operator up to date information on applicable bank accounts.

***Noteholders holding interests in the Notes through nominee book-entry accounts will not be able to enforce any rights under the Notes directly against the Issuer***

Persons holding interests in the Notes through nominee book-entry accounts e.g. in Euroclear or Clearstream (rather than Euroclear Finland directly), or through other custody/sub-custody arrangements so that the Notes are held on a nominee omnibus account in Euroclear Finland will not be recorded as the legal/beneficial owners of such Notes under Finnish law and such Noteholders will, therefore, not be entitled to enforce any rights under Notes directly against the Issuer. Such persons should look to the terms of business of the respective clearing system or custodian, as applicable, with respect to indirect enforcement of their rights, as well as having regard to the possibility of transferring the Notes to a book-entry account with Euroclear Finland held directly by the Noteholders.

***Amendments to the Terms and Conditions of the Notes bind all Noteholders***

The Terms and Conditions may be amended in certain circumstances, with the required consent of a defined majority of the Noteholders. The Terms and Conditions contain provisions for calling meetings of or initiating written procedures for the Noteholders to consider matters affecting the interests of the Noteholders generally. These provisions permit defined majorities to bind all holders of Notes including Noteholders who did not attend and vote at the relevant meeting or written procedure and Noteholders who voted in a manner contrary to the majority. For example, Noteholders representing at least 66 2/3 per cent of the adjusted nominal amount of the Notes for which the Noteholders are voting at a meeting of the Noteholders or for which Noteholders reply in a written procedure may agree to change the agent, reduce the premium payable upon the redemption or repurchase of any Note, change the interest rate or nominal amount of the Notes, extend the tenor of the Notes. This may incur financial losses, among others, to all Noteholders, including such Noteholders who did not attend and vote at the relevant meeting or participate in a written procedure and Noteholders who voted in a manner contrary to the majority.

***The rights of the Noteholders depend on the Agent's actions and financial standing***

By subscribing for, or accepting the assignment of, any Note, each Noteholder will accept the appointment of an agent to act for and on its behalf and to perform administrative functions relating to the Notes (the "Agent") (being on the date of this Prospectus Nordic Trustee Oy, incorporated under the laws of Finland with corporate registration number 2488240-7).

The Agent has, among other things, the right to represent the Noteholders in all court and administrative proceedings in respect of the Notes. The role of the Agent are governed by the Finnish Act on Noteholders' Agent (Fi: laki joukkolainanhaltijoiden edustajasta) (574/2017, as amended).

A failure by the Agent to perform its duties and obligations properly or at all may adversely affect the enforcement of the rights of the Noteholders. Funds collected by the Agent as the representative of the Noteholders must be held separately from the funds of the Agent and be treated as escrow funds to ensure that in the event of the Agent's bankruptcy, such funds can be separated for the benefit of the Noteholders. In the event the Agent would fail to separate the funds in an appropriate manner, the funds could be included in the Agent's, as applicable, bankruptcy estate.

The Agent may be replaced by a successor Agent in accordance with the Terms and Conditions. Generally, the successor Agent has the same rights and obligations as the retired Agent. It may be difficult to find a successor Agent with commercially acceptable terms or at all. Further, it cannot be excluded that the successor Agent would not breach its obligations under the above documents or that insolvency proceedings would not be initiated against it.

Materialisation of any of the above risks may have a material adverse effect on the enforcement of the rights of the Noteholders and the rights of the Noteholders to receive payments under the Notes.

***Rights to payments under the Notes that have not been claimed within three (3) years are prescribed***

In case any payment under the Notes has not been claimed within three (3) years from the original due date thereof, the right to such payment shall be prescribed. Such prescription may incur financial losses to such Noteholders who have not claimed payment under the Notes within three (3) years.

***The Lead Manager may have a potential conflict of interest related to the investment and other banking services***

The Lead Manager and companies belonging to the same consolidated group with the Lead Manager may have performed and may in the future perform investment or other banking services for the Group (including, but not limited to, certain working capital facilities entered into with the Lead Manager and its affiliates) in the ordinary course of business. The Lead Manager and its affiliates may have positions, deal or make markets in the Notes, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. In addition, in the ordinary course of their business activities, the Lead Manager and/or its affiliates may make or hold a broad array of investments and actively trade debt and/or equity securities (or related derivative securities) and financial instruments (including bank loans) for its own account or for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates or related entities. The Lead Manager or its affiliates that have a lending relationship with the Issuer may routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, the Lead Manager and its affiliates would hedge such exposure by entering into transactions that consist of either purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such positions could adversely affect future trading prices of the Notes. The Lead Manager and its affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

## **RESPONSIBILITY STATEMENT**

This Prospectus has been prepared by the Issuer and the Issuer is responsible for the information included in this Prospectus. To the best knowledge of the Issuer, the information contained in this Prospectus is in accordance with the facts and the Prospectus makes no omission likely to affect its import.

Solteq Plc

Vantaa, Finland

## CERTAIN MATTERS

### Information about the Issuer

The business name of the Issuer is Solteq Plc (Fi: Solteq Oyj) and its domicile is Vantaa. The Company is a public limited liability company incorporated and operating under the laws of Finland. The Company is registered in the Finnish Trade Register under the business identity code 0490484-0 and its legal entity code (LEI) is 743700HXWTM31ZHBXW13. The Company's registered address is Karhumäentie 3, FI-01530 Vantaa, Finland and its phone number is +358 (0)20 14444. The Company is the parent company of the Group.

### No Incorporation of Website Information

This Prospectus and possible supplements to this Prospectus will be published on the Issuer's website at [www.solteq.com/en/investors/](http://www.solteq.com/en/investors/). Other information on the Issuer's website or any other website, excluding the documents incorporated by reference to this Prospectus as set forth in "*Documents Incorporated by Reference*" do not form a part of this Prospectus, and prospective investors should not rely on such information when making their decision to purchase the Notes.

### Available Information

The Prospectus will be available on or about 1 October 2020 on the website of the Issuer [www.solteq.com/en/investors/](http://www.solteq.com/en/investors/). In addition, the Prospectus will be available as a printed copy on or about 2 October 2020 at the registered head office of the Issuer at Karhumäentie 3, FI-01530 Vantaa, Finland as well as at the reception of the Helsinki Stock Exchange at Fabianinkatu 14, FI-00100 Helsinki, Finland.

The Issuer publishes annual reports, including audited consolidated financial statements as well as half-yearly financial reports, quarterly interim financial information and other information as required by the Helsinki Stock Exchange. Such information will be available on the Issuer's website at [www.solteq.com/en/investors/](http://www.solteq.com/en/investors/).

The agency agreement made between Nordic Trustee Oy as the Agent (as defined in herein) and the Issuer will be available on or about 1 October 2020 on the website of the Issuer at [www.solteq.com/en/investors/](http://www.solteq.com/en/investors/).

### Forward-Looking Statements

Certain statements in this Prospectus, including but not limited to certain statements set forth under the chapters "*Risk Factors*", "*Information about the Issuer*" and "*Financial Information and Prospects*", are based on the beliefs of the Issuer's management as well as assumptions made by and information currently available to it, and such statements may constitute forward-looking statements. Such forward-looking statements are based on certain expectations, which, even though they seem to be reasonable at present, may turn out to be incorrect. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, realised revenues or performance to differ materially from the results, revenues and performance expressed or implied in the forward-looking statements of the Issuer.

Such risks, uncertainties and other important factors include, among others things, the risks described in the section "*Risk Factors*". Should one or more of these risks or uncertainties materialise, or should any underlying assumptions prove to be incorrect, the Issuer's actual results of operations, its financial condition or its ability to fulfil its obligations under the Notes could differ materially from those described here as "anticipated", "assumed", "intended", "planned", "believed", "estimated" or "expected". The forward-looking statements are not guarantees of the future operational or financial performance of the Issuer.

The Issuer does not intend and does not assume any obligation to update any forward-looking statements contained herein unless required by applicable legislation.

### Market and Industry Information

This Prospectus contains information about the Issuer's markets and estimates regarding the Issuer's competitive position therein. Such information is prepared by the Issuer based on third-party sources and the Issuer's own internal estimates. In many cases, there is no publicly available information on such market data. The Issuer believes that its estimates of market data and information derived therefrom are helpful in order to give investors a better understanding of the industry sectors in which it operates as well as its position within these industry sectors. Although the Issuer believes that its internal market observations are fair estimates,

they have not been reviewed or verified by any external experts and the Issuer cannot guarantee that its market observations are correct or that a third-party expert using same or different methods would obtain or generate the same results.

Where certain market data and market estimates contained in this Prospectus have been derived from third party sources, such as industry publications, the name of the source is given therein. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable, but the correctness and completeness of such information is not guaranteed. The Issuer confirms that this information has been accurately reproduced and that, as far as the Issuer is aware and is able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, neither the Issuer nor the Lead Manager has independently verified, and cannot give any assurances as to the appropriateness of, such information. Should this Prospectus contain market data or market estimates in connection with which no source has been presented, such market data or market estimate is based on the Issuer's management's estimates.

### **Presentation of Financial Information**

The audited consolidated financial statements of the Issuer have been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("**IFRS**"), and the Issuer's unaudited consolidated interim financial reports have been prepared in accordance with the "*IAS 34 - Interim Financial Reporting standard*". The Issuer's audited consolidated financial statements for the financial year ended 31 December 2019 and the Issuer's unaudited consolidated interim report for the six months ended 30 June 2020 have been incorporated in this Prospectus by reference. The Audited Consolidated Financial Statements incorporated by reference in the Prospectus have been audited by Certified Public Audit firm KPMG Oy Ab, with Lotta Nurminen, Authorised Public Accountant, as the auditor with principal responsibility.

In this Prospectus, references to "€", "euro" or "EUR" are to the currency of the member states of the EU participating in the European Economic and Monetary Union. References to any other currencies or currency codes are to current currencies in accordance with ISO 4217 Currency Codes standard.

### **Changes in the Accounting Principles - IFRS 16 Leases standard**

As of 1 January 2019, the Issuer has adopted the new IFRS 16 Leases standard. The new standard was implemented using the modified retrospective approach, in which the comparative figures for prior financial periods were not restated. Due to the exemptions provided by the standard, short-term leases and leases for which the underlying asset is of low value to the financial position of the financial statement, are not taken into account in the financial statement.

### **Alternative Performance Measures**

The Issuer presents in this Prospectus certain alternative performance measures of historical financial performance, financial position and cash flows, which, in accordance with the "Alternative Performance Measures" guidance issued by the European Securities and Markets Authority ("**ESMA**") are not accounting measures defined or specified in IFRS (the "**Alternative Performance Measures**"). These Alternative Performance Measures are:

- Comparable revenue
- EBITDA
- Equity ratio
- Return on equity
- Comparable EBITDA
- Comparable operating profit
- Gearing

The exact definitions for calculating these alternative performance measures that are not based on the IFRS are presented under "*Selected Financial Information – Calculation of Key Figures*".

The Issuer presents Alternative Performance Measures to improve the comparability between reporting periods and as additional information to measures presented in the consolidated statement of comprehensive income, consolidated statement of financial position and consolidated statement of cash flows prepared in accordance with IFRS. In the Issuer's view, Alternative Performance Measures provide the management, investors, securities market analysts and other parties with significant and useful additional information related to Issuer's results of operations, financial position and cash flows.

The Company reports comparable revenue, comparable EBITDA and comparable operating profit. In the comparable Alternative Performance Measures, transactions that are unrelated to the regular business operations, or valuation items that do not affect the cash flow, but have an important impact on the income statement, are adjusted as items that affect comparability. These non-recurring items may include the following:

- Significant restructuring arrangements and related financial items
- Impairments
- Items related to the sale or discontinuation of significant business operations
- Costs incurred by the re-organisation of operations
- Costs incurred by the integration of acquired business operations
- Non-recurring severance packages
- Fee items that are not based on cash flow
- Costs incurred by changes in legislation
- Fines and similar indemnities, damages and legal costs

Alternative Performance Measures should not be viewed in isolation or as a substitute to the measures under IFRS. All companies do not calculate Alternative Performance Measures in a uniform way, and therefore the Alternative Performance Measures presented in this Prospectus may not be comparable with similarly named measures presented by other companies.

Alternative Performance Measures presented by the Issuer are unaudited.

### **Roundings**

Financial information set forth in a number of tables in this Prospectus have been rounded. Accordingly, in certain instances, the sum of the numbers in a column or row may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in the tables in this Prospectus reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based on upon the rounded numbers.

### **No Credit Ratings**

The Issuer or its debt securities have not been assigned any credit rating at the request or with the co-operation of the Issuer in the rating process.

### **Taxation**

Potential investors should be aware that the tax legislation of a potential investor's member state and of the Issuer's country of incorporation may have an impact on the income received from the Notes.

### **Notice to Certain Investors**

The Lead Manager has represented, warranted and undertaken that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Prospectus or any related offering material, in all cases at its own expense. Other persons into whose hands this Prospectus comes are required by the Issuer and the Lead Manager to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Prospectus or any related offering material, in all cases at their own expense.

### ***Notice to Prospective Investors in the United Kingdom***

This Prospectus does not constitute an offer to the public and no prospectus has been or will be approved in the United Kingdom in respect of the Notes. Therefore, in the United Kingdom, this Prospectus may only be communicated to persons in circumstances where the provisions of section 21(1) of the Financial Services and Markets Act 2000, as amended, (the "Order") do not apply to the Issuer and is solely directed at persons

in the United Kingdom who (a) have professional experience in matters relating to investments falling within Article 19(5) of the Order or (b) persons falling within Article 49(2)(a) to (d) of the Order, or other persons to whom it may be lawfully communicated (all such persons together being referred to as “**relevant persons**”). This Prospectus is directed only at relevant persons and any person who is not a relevant person must not act or rely on this document or any of its contents.

***Notice to Prospective Investors in the United States***

The Notes have not been, and will not be, registered under the Securities Act and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph and not otherwise defined herein the preceding sentence have the meanings given to them by Regulation S.

***MiFID II product governance / Professional investors, eligible counterparties and retail investors target market***

Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, “**MiFID II**”) and (ii) all channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

**TERMS AND CONDITIONS OF THE NOTES**

**SOLTEQ**

**TERMS AND CONDITIONS FOR**

**Solteq Plc**

**Up to EUR 45,000,000**

**Senior Unsecured Fixed Rate Notes**

**ISIN: FI4000442264**

**24 September 2020**

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## 1 DEFINITIONS AND CONSTRUCTION

### 1.1 Definitions

In these terms and conditions (the “**Terms and Conditions**”):

“**Accounting Principles**” means the IFRS.

“**Act on Noteholders’ Agent**” means the Finnish Act on Noteholders’ Agent (Fi: *Laki joukkolainanhaltijoiden edustajasta 574/2017*, as amended).

“**Adjusted Accounting Principles**” means the Accounting Principles without taking into account IFRS 16 lease items.

“**Adjusted Nominal Amount**” means the Total Nominal Amount less the Nominal Amount of all Notes owned by a Group Company or an Affiliate of the Issuer, irrespective of whether such person is directly registered as owner of such Notes.

“**Affiliate**” means any Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purpose of this definition, “**control**” when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “**controlling**” and “**controlled**” have meanings correlative to the foregoing.

“**Agency Agreement**” means the agency agreement entered into between the Agent and the Issuer on or about the First Issue Date regarding, *inter alia*, the remuneration payable to the Agent, or any replacement agency agreement entered into after the First Issue Date between the Issuer and a replacing Agent.

“**Agent**” means Nordic Trustee Oy, incorporated under the laws of Finland with corporate registration number 2488240-7 or another party replacing it, as Agent, in accordance with these Terms and Conditions.

“**Book-Entry Securities System**” means the Infinity -system being part of the book-entry register maintained by the CSD or any other replacing book-entry securities system.

“**Book-Entry System Act**” means the Finnish Act on Book-Entry System and Clearing Operations (Fi: *Laki arvo-osuusjärjestelmästä ja selvitystoiminnasta 348/2017*, as amended).

“**Business Day**” means a day on which the deposit banks are generally open for business in Helsinki.

“**Business Day Convention**” means the first following day that is a CSD Business Day, unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a CSD Business Day.

“**Call Option**” means the Issuer's right to redeem outstanding Notes in full in accordance with Clause 9.3 (*Voluntary Total Redemption*).

“**Change of Control Event**” occurrence of an event or series of events whereby one or more persons acting together, acquire control over the Issuer and where “**control**” means (a) acquiring or controlling, directly or indirectly, more than 50 per cent of the voting shares of the Issuer, or (b) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

“**Compliance Certificate**” means a certificate, in form and substance satisfactory to the Agent, signed by the Issuer certifying in connection with a Financial Report that so far as it is aware no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it. If the Compliance Certificate is provided in connection with an Incurrence Test, the certificate shall contain calculations and figures in

respect of the ratio of Net Interest Bearing Debt to EBITDA, the Interest Coverage Ratio and the Equity Ratio.

“**Consolidated Assets**” means the total consolidated assets of the Group according to the latest Financial Report minus advances received as adjusted in accordance with the Adjusted Accounting Principles.

“**Consolidated Equity**” means the total consolidated equity of the Group according to the latest Financial Report.

“**CSD**” means the Issuer’s central securities depository and registrar in respect of the Notes, from time to time, initially Euroclear Finland Oy, business identity code 1061446-0, Urho Kekkosen katu 5 C, P.O. Box 1110, 00101 Helsinki.

“**CSD Business Day**” means a day on which the Book-Entry Securities System is open in accordance with the regulations of the CSD.

“**EBITDA**” means, in respect of the Relevant Period, the consolidated operating result of the Group from continuing operations according to the latest Financial Report(s) as adjusted in accordance with the Adjusted Accounting Principles:

- (a) before taking into account any extraordinary items and other non-recurring costs, up to the aggregate amount the higher of (i) EUR 1,500,000 or (ii) 10 per cent of EBITDA in respect of the Relevant Period;
- (b) before taking into account any Transaction Costs;
- (c) after adding back or deducting, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset (other than in the ordinary course of trading) and any loss or gain arising from an upward or downward revaluation of any asset;
- (d) after deducting the amount of any profit (or adding back the amount of any loss) of any Group Company which is attributable to minority interests;
- (e) before taking into account any unrealised gains or losses on any derivative instrument (other than any derivative instruments which are accounted for on a hedge account basis); and
- (f) after adding back any amount attributable to the amortisation, depreciation or impairments of assets of members of the Group.

“**Escrow Account**” means the interest bearing bank account held by the Issuer with the Escrow Bank for the purpose of the arrangement specified in Clause 4.2 (*Escrow of Proceeds*).

“**Escrow Account Pledge Agreement**” means the agreement for Security over the funds standing to the credit on the Escrow Account, entered into between the Issuer and the Agent.

“**Escrow Bank**” means Danske Bank A/S, Finland Branch.

“**Equity Adjustment**” means the amount of new equity raised or to be raised (provided that such equity is fully committed by the investors) by the Issuer after the latest available Financial Report which is used or will be used towards repayment of any Financial Indebtedness.

“**Equity Ratio**” means, as at the relevant testing date, the Consolidated Equity to the Consolidated Assets.

“**EUR**” or “**Euro**” means the single currency of the Participating Member States.

“**Event of Default**” means an event or circumstance specified in any of the Clauses 13.1 (*Non-Payment*) to and including Clause 13.7 (*Impossibility or Illegality*).

**“Existing Bond”** means the EUR 27,000,000 senior unsecured fixed rate notes issued on 1 July 2015, as amended and restated on 24 September 2015, 31 July 2018 and 18 May 2020.

**“Final Maturity Date”** means the date falling four (4) years after the First Issue Date.

**“Finance Charges”** means, for the Relevant Period, the aggregate amount of the financial expenses according to the latest Financial Report but as adjusted in accordance with the Adjusted Accounting Principles.

**“Finance Documents”** means the Terms and Conditions, the Escrow Account Pledge Agreement and any other document designated to be a Finance Document by the Issuer and the Agent.

**“Finance Lease”** means any lease or hire purchase contract which would, in accordance with the Adjusted Accounting Principles, be treated as a finance or capital lease other than any liability in respect of a lease or hire purchase contract which have or would have been treated as an operating lease under the Adjusted Accounting Principles.

**“Financial Indebtedness”** means any indebtedness in respect of:

- (a) monies borrowed or raised, including Market Loans;
- (b) the amount of any liability in respect of Finance Leases;
- (c) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (d) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (e) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (f) any amount raised by the issue of redeemable shares which are redeemable (other than at the option of the Issuer) before the Redemption Date or are otherwise classified as borrowings under Accounting Principles;
- (g) any amount of any liability under an advance or deferred purchase agreement, if (a) the primary reason behind entering into the agreement is to raise finance or (b) the agreement is in respect of the supply of assets or services to a Group Company by a third party and payment is due more than 120 calendar days after the date of supply;
- (h) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account, provided that if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (i) any counter indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (j) (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in the above items (a)-(i).

**“Financial Report”** means the Group’s consolidated annual audited financial statements or quarterly interim unaudited reports, which shall be prepared and made available in accordance with Clause 10.1 (*Information from the Issuer*).

**“First Call Date”** means the date falling 18 months after the First Issue Date.

**“First Issue Date”** means 1 October 2020.

“**Group**” means the Issuer and its Subsidiaries from time to time (each a “**Group Company**”).

“**IFRS**” means international accounting standards within the meaning of Regulation 1606/2002/EC (or as otherwise adopted or amended from time to time).

“**Incurrence Test**” means the test of the financial incurrence covenants as set out in Clause 11 (*Incurrence Covenant*).

“**Initial Notes**” means the Notes issued on the First Issue Date.

“**Insolvent**” means, in respect of a relevant person, that it (i) is deemed to be insolvent within the meaning of Section 1 of Chapter 2 of the Finnish Bankruptcy Act (Fi: *Konkurssilaki* 120/2004, as amended) (or its equivalent in any other jurisdiction), (ii) admits inability to pay its debts as they fall due, (iii) suspends making payments on any of its debts, (iv) by reason of actual financial difficulties commences negotiations with its creditors (other than the Noteholders) with a view to rescheduling any of its indebtedness (including company reorganisation under the Finnish Act on Company Reorganisation (Fi: *Laki yrityksen saneerauksesta* 47/1993, as amended) (or its equivalent in any other jurisdiction)) or (v) is subject to involuntary winding-up, dissolution or liquidation.

“**Intellectual Property**” means any patents, trademarks, service marks, designs, business names, copyrights, database rights, rights to source code, design rights, domain names, inventions, confidential information, knowhow and other intellectual property rights and interests, whether registered or unregistered and the benefit of all applications and rights to use such assets of each member of the Group.

“**Interest**” means the interest on the Notes calculated in accordance with Clauses 8(a) to 8(d).

“**Interest Coverage Ratio**” means the ratio of EBITDA to Net Finance Charges.

“**Interest Payment Date**” means 1 October each year or, to the extent such day is not a CSD Business Day, the CSD Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Notes shall be 1 October 2021 and the last Interest Payment Date shall be the relevant Redemption Date.

“**Interest Period**” means (i) in respect of the first Interest Period, the period from (and including) the First Issue Date to (but excluding) the first Interest Payment Date, and (ii) in respect of subsequent Interest Periods, the period from (and including) an Interest Payment Date to (but excluding) the next succeeding Interest Payment Date (or a shorter period if relevant).

“**Interest Rate**” means 6.00 per cent per annum.

“**Issuer**” means Solteq Plc, a public limited liability company incorporated under the laws of Finland, whose registered office is Karhumäentie 3, 01530 Vantaa, Finland, with Finnish business identification code 0490484-0.

“**Issuing Agent**” means Danske Bank A/S, Finland Branch, reg. no. 1078693-2, Kasarmikatu 21 B, 00130 Helsinki, Finland as issuing (Fi: *liikkeeseenlaskijan asiamies*) and paying agent of the Notes for and on behalf of the Issuer, or any other party replacing the same as Issuing Agent in accordance with the regulations of the CSD.

“**Market Loan**” means any loan or other indebtedness where an entity issues commercial paper, certificates, subordinated debentures, notes or any other debt securities (including, for the avoidance of doubt, medium term note programmes and other market funding programmes), provided in each case that such instruments and securities are or can be subject to trade on Nasdaq Helsinki Ltd or any other regulated or unregulated recognised market place.

“**Material Adverse Effect**” means a material adverse effect on:

- (a) the business, financial condition or operations of the Group taken as a whole; or
- (b) the validity or enforceability of these Terms and Conditions,

in each case which affects the Issuer's ability to perform and comply with the undertakings set out in Clause 12 (*General Undertakings*) of these Terms and Conditions.

**"Material Group Company"** means:

- (a) the Issuer;
- (b) a Subsidiary of the Issuer which has (i) turnover representing 5 per cent or more of the Group's aggregate turnover, (ii) positive earnings before interest, tax, depreciation and amortisation (calculated on the same basis as EBITDA) representing 5 per cent or more of positive EBITDA or (iii) net assets (excluding intra-group items) representing 5 per cent or more of the net assets of the Group calculated on a consolidated basis; or
- (c) a Subsidiary of the Issuer to which is transferred the whole or substantially the whole of the business, assets and undertaking of another Material Group Company.

Fulfilment of the conditions set out in paragraph (b) above shall be determined quarterly by reference to the latest audited (if available or otherwise unaudited) financial statements of that Subsidiary (consolidated in the case of a Subsidiary which itself has Subsidiaries) and the latest audited (if available or otherwise unaudited) consolidated financial statements of the Group for the financial period ending March 31, June 30, September 31 and December 31.

However, if a Subsidiary has been acquired since the date as at which the latest consolidated financial statements of the Group were prepared, the financial statements shall be deemed to be adjusted in order to take into account the acquisition of that Subsidiary.

**"Net Finance Charges"** means, for the Relevant Period, the Finance Charges according to the latest Financial Report after deducting any financial income payable for that Relevant Period according to the latest Financial Report in each case calculated in accordance with the Adjusted Accounting Principles.

**"Net Interest Bearing Debt"** means the aggregate amount of Financial Indebtedness calculated in accordance with the Adjusted Accounting Principles, less cash and cash equivalents of the Group (for the avoidance of doubt, excluding guarantees, bank guarantees and interest bearing debt borrowed from any Group Company).

**"Net Proceeds"** means the proceeds from the issuance of the Initial Notes after deduction has been made for the Transaction Costs payable by the Issuer to the Sole Bookrunner and the Issuing and Paying Agent for the services provided in relation to the placement and issuance of the Notes.

**"Nominal Amount"** has the meaning set forth in Clause 2(d).

**"Noteholder"** means the person who is registered in the register maintained by the CSD pursuant to paragraph 2 of Section 3 of Chapter 4 of the Book-Entry System Act as direct registered owner (Fi: *omistaja*) or nominee (Fi: *hallintarekisteröinnin hoitaja*) with respect to a Note.

**"Noteholders' Meeting"** means a meeting among the Noteholders held in accordance with Clause 16 (*Noteholders' Meeting*).

**"Notes"** means debt instruments, each for the Nominal Amount and of the type referred to in paragraph 1 of Section 34 of the Act on Promissory Notes (Fi: *Velkakirjalaki 622/1947*, as amended) (Fi: *joukkovelkakirja*) and which are governed by and issued under these Terms and Conditions, including the Initial Notes and any Subsequent Notes.

**"Outstanding Nominal Amount"** means the outstanding Nominal Amount of each Note from time to time taking into account any prepayments made on the Notes.

**“Participating Member States”** means any member state of the European Union that has the Euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

**“Permitted Debt”** means any Financial Indebtedness:

- (a) incurred under the Initial Note Issue;
- (b) incurred under the Existing Bond, provided that it is refinanced through the issuance of the Notes, on or before the release of any amount from the Escrow Account;
- (c) of the Group incurred pursuant to any financial leasing arrangements incurred in the ordinary course of the Group’s business in a maximum amount of EUR 5,000,000;
- (d) extended by any Group Company to its customers on normal commercial terms and in the ordinary course of its trading activities;
- (e) taken up from a Group Company;
- (f) of the Group under any guarantee issued by a Group Company, in the ordinary course of the Group’s business;
- (g) arising under a foreign exchange transaction, interest rate or commodity derivatives for spot or forward delivery entered into in connection with protection against fluctuation in currency rates or prices where the exposure arises in the ordinary course of business or in respect of payments to be made under the Terms and Conditions, but not any transaction for investment or speculative purposes;
- (h) incurred as a result of any Group Company acquiring another entity and which is due to that such acquired entity holds indebtedness, provided that the Incurrence Test is met at the time of such acquisition, tested pro forma including the acquired entity in question;
- (i) incurred by the Issuer if such Financial Indebtedness meets the Incurrence Test tested pro forma including such incurrence, and (i) is incurred as a result of a Subsequent Note Issue by the Issuer under the Terms and Conditions, or (ii) ranks *pari passu* to the obligations of the Issuer under the Terms and Conditions and (iii) any Financial Indebtedness (save for working capital type of facilities, but for the avoidance of doubt including term loans and bonds) has a final maturity date or a final redemption date or, when applicable, early redemption dates or instalment dates which occur on or after the Final Maturity Date;
- (j) incurred by the Issuer and subordinated to the obligations of the same under these Terms and Conditions and has a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Maturity Date;
- (k) incurred in connection with the redemption of the Notes in order to fully refinance the Notes;
- (l) incurred by a Group Company under the Working Capital Facilities; or
- (m) incurred under any loan agreement with Business Finland (the Finnish Funding Agency for Innovation, formerly Tekes) or equivalent thereof on similar material terms, in an aggregate maximum amount of EUR 3,000,000 at any one time.

**“Permitted Security”** means any guarantee or security:

- (a) arising by operation of law or in the ordinary course of business (not including guarantees or security in respect of any monies borrowed or raised);
- (b) provided in relation to any lease agreement entered into by a Group Company constituting Permitted Debt but only in relation to the leased asset;

- (c) provided in relation to a hedging liability that constitutes a Permitted Debt in accordance with paragraph (g) of Permitted Debt above;
- (d) incurred as a result of any Group Company acquiring another entity and which is due to that such acquired entity has provided security, provided that (i) such Security was not created in contemplation of the acquisition of such asset by a Group Company, (ii) the amount thereby secured has not been increased in contemplation of, or since the date of, the acquisition of such asset by a Group Company (other than as a result of capitalisation of interest) and (iii) the debt secured with such security is Permitted Debt in accordance with paragraph (h) of Permitted Debt above, and such security will be discharged within 6 months from the date of acquisition;
- (e) provided for any guarantees issued by a Group Company in the ordinary course of the Group's business;
- (f) comprising rent deposits or lease guarantees in the ordinary course of business;
- (g) provided in relation to the Working Capital Facilities; or
- (h) any Security granted under the Escrow Account Pledge Agreement or any Security granted under a similar type of arrangement relating to facilities constituting Permitted Debt in accordance with paragraph (k) of Permitted Debt above.

**“Person”** means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organisation, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality.

**“Record Time”** means:

- (a) in relation to a payment of Interest, default interest and/or redemption of the Notes when such payment is made through the Book-Entry Securities System, the end of the first CSD Business Day prior to, as applicable, (i) an Interest Payment Date, (ii) the day on which default interest is paid, (iii) a Redemption Date or (iv) a date on which a payment to the Noteholders is to be made under Clause 14 (*Distribution of Proceeds*); and
- (b) in relation to a Noteholders' Meeting and Written Procedure, the end of the CSD Business Day specified in the communication pursuant to Clause 16(c) or Clause 17(c), as applicable; and
- (c) otherwise, the end of the fifth CSD Business Day prior to another relevant date.

**“Redemption Date”** means the date on which the relevant Notes are to be redeemed or repurchased in accordance with Clause 9 (*Redemption and Repurchase of the Notes*).

**“Regulated Market”** means any regulated market (as defined in Directive 2014/65/EU on markets in financial instruments).

**“Relevant Period”** means each period of twelve (12) consecutive calendar months from the relevant Financial Report.

**“Restricted Transaction”** has the meaning set forth in Clause 12.2(a).

**“Securities Act”** means the U.S. Securities Act of 1933, as amended.

**“Security”** means a mortgage, charge, pledge, lien, security assignment or other security interest securing any obligation of any Person, or any other agreement or arrangement having a similar effect.

**“Sole Bookrunner”** means Danske Bank A/S.

“**Subsequent Notes**” means any Notes issued after the First Issue Date on one or more occasions.

“**Subsidiary**” means, in relation to any Person, any Finnish or foreign legal entity (whether incorporated or not), in respect of which such Person, directly or indirectly, (i) owns shares or ownership rights representing more than 50 per cent of the total number of votes held by the owners, (ii) otherwise controls more than 50 per cent of the total number of votes held by the owners, (iii) has the power to appoint and remove all, or the majority of, the members of the board of directors or other governing body, or (iv) exercises control as determined in accordance with the Accounting Principles.

“**Total Nominal Amount**” means the total aggregate Nominal Amount of the Notes outstanding at the relevant time.

“**Transaction Costs**” means all fees, costs and expenses, stamp, registration and other taxes incurred by the Issuer or any other member of the Group in connection with (i) the issue of the Initial Notes, (ii) the listing of the Notes and (iii) the redemption of the Existing Bond.

“**Working Capital Facility**” means any working capital facility including any overdraft facility, factoring and guarantee facilities (but excluding any bank guarantees granted for the purpose of rent deposits), provided that the aggregate amount of such facilities does not exceed the higher of (i) EUR 7,000,000 and (ii) 90 per cent of EBITDA in aggregate.

“**Written Procedure**” means the written or electronic procedure for decision making among the Noteholders in accordance with Clause 17 (*Written Procedure*).

## 1.2 Construction

- (a) Unless a contrary indication appears, any reference in these Terms and Conditions to:
  - (i) “**assets**” includes present and future properties, revenues and rights of every description;
  - (ii) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
  - (iii) a “regulation” includes any regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
  - (iv) an Event of Default is continuing if it has not been remedied or waived;
  - (v) words denoting the singular number shall include the plural and vice versa;
  - (vi) a provision of law is a reference to that provision as amended or re-enacted; and
  - (vii) a time of day is a reference to Helsinki time.
- (b) A notice shall be deemed to be sent by way of press release if it is made available to the public within Finland promptly and in a non-discriminatory manner.
- (c) When ascertaining whether a limit or threshold specified in EUR has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against EUR for the previous Business Day, as published by the European Central Bank on its website ([www.ecb.int](http://www.ecb.int)). If no such rate is available, the most recent rate published by the European Central Bank shall be used instead.
- (d) No delay or omission of the Agent or of any Noteholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

- (e) To the extent that the laws and regulations conflict with these Terms and Conditions, the Issuer shall comply with the applicable laws and regulations and will not be deemed to have breached its obligations under these Terms and Conditions by virtue of such conflict.

## 2 STATUS OF THE NOTES

- (a) The Notes are denominated in EUR and each Note is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Notes and to comply with these Terms and Conditions.
- (b) By subscribing for Notes, each initial Noteholder agrees that the Notes shall benefit from and be subject to the Finance Documents and by acquiring Notes, each subsequent Noteholder confirms such agreement.
- (c) The Notes are offered for subscription in a minimum amount of EUR 100,000 to professional clients and eligible counterparties outside of the United States of America through a book-building procedure (private placement). The subscription period shall commence on 23 September 2020 and end on 24 September 2020. Bids for subscription shall be submitted to Danske Bank A/S, Finland Branch, Kasarmikatu 21 B, PL 1613, FI-00075 DANSKE BANK, FI-00130 Helsinki, Finland, telephone +358 10 546 2070. Subscriptions made are irrevocable. All subscriptions remain subject to the final acceptance by the Issuer. The Issuer may, in its sole discretion, reject a subscription in part or in whole. The Issuer shall decide on the procedure in the event of over-subscription. After the final allocation and acceptance of the subscriptions by the Issuer each investor that has submitted a subscription shall be notified by the Issuer whether and, where applicable, to what extent such subscription is accepted. Subscriptions notified by the Issuer as having been accepted shall be paid for as instructed in connection with the subscription. Notes subscribed and paid for shall be entered by the Issuing Agent to the respective book-entry accounts of the subscribers on a date advised in connection with the issuance of the Notes in accordance with the Finnish legislation governing book-entry system and book-entry accounts as well as regulations and decisions of the CSD.
- (d) The Nominal Amount of each Note is EUR 20,000 (the "**Nominal Amount**"). The maximum Total Nominal Amount of the Initial Notes is EUR 23,000,000. All Initial Notes are issued on a fully paid basis at an issue price of 100.00 per cent of the Nominal Amount.
- (e) Provided that the Incurrence Test is met and that no Event of Default is continuing or would result from such issue, the Issuer may, at one or several occasions, issue Subsequent Notes. Subsequent Notes shall benefit from and be subject to the Finance Documents, and, for the avoidance of doubt, the applicable ISIN, the interest rate, the currency, the nominal amount and the final maturity applicable to the Initial Notes shall apply to Subsequent Notes. The price of the Subsequent Notes may be set at a discount or at a premium compared to the Nominal Amount. The maximum total nominal amount of the Notes (the Initial Notes and all Subsequent Notes) may not exceed EUR 45,000,000.
- (f) Subject to any restrictions to which a Noteholder may be subject due to local law or otherwise, each Note is freely transferable after it has been registered into the respective book-entry account of a Noteholder. Each Noteholder must ensure compliance with the restrictions referred to above at its own cost and expense.
- (g) The Notes constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank at least *pari passu* with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law, and without any preference among them.
- (h) No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Notes or the possession, circulation or distribution of any document or

other material relating to the Issuer or the Notes in any jurisdiction, where action for that purpose is required. Each Noteholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Notes.

### 3 USE OF PROCEEDS

The Net Proceeds from the issuance of the Initial Notes shall be applied towards the redemption of the Existing Bond and general corporate purposes.

### 4 CONDITIONS FOR DISBURSEMENT

#### 4.1 Conditions precedent

- (a) Disbursement of the Net Proceeds from the issuance of the Notes to the Escrow Account will be subject to the following conditions precedent having been received by the Agent no later than two Business Days prior to the Issue Date:
  - (i) evidence that the Existing Bond shall be repaid; and
  - (ii) the Escrow Account Pledge Agreement duly executed by all parties thereto and all documents to be delivered pursuant to such agreement (including all applicable notices, acknowledgements and consents from the Escrow Bank).
- (b) The Agent may assume that the documentation delivered to it pursuant to Clause 4(a) is accurate, correct and complete unless it has actual knowledge that this is not the case, and the Agent does not have to verify the contents of any such documentation.
- (c) The Agent shall confirm to the Issuing Agent when it has received the documents and evidence referred to in Clause 4(a).

#### 4.2 Escrow of Proceeds

- (a) The Net Proceeds of the issuance of the Notes shall be paid by the Issuing Agent into the Escrow Account. The funds standing to the credit on the Escrow Account shall be secured in favour of the Agent on behalf of the Noteholders.
- (b) Upon the later of (i) the Issue Date and (ii) the receipt by the Agent of the documents and evidences set out below, the Agent shall promptly release the Security pursuant to the Escrow Account Pledge Agreement and instruct the Escrow Bank to promptly transfer the funds standing to the credit on the Escrow Account in accordance with the funds flow statement provided by the Issuer:
  - (i) a funds flow signed on behalf of the Issuer, evidencing in reasonable detail the payments to be made using the Net Proceeds of the issuance of the Notes and that the Existing Bond together with any accrued and unpaid interest will be repaid in full through the first release of funds from the Escrow Account; and
  - (ii) a confirmation signed by the Issuer that no Event of Default has occurred and is continuing or will result from the release of the Net Proceeds of the issuance of the Notes from the Escrow Account.
- (c) The Agent may assume that the documentation delivered to it pursuant to paragraph (b) above is accurate, correct and complete unless it has actual knowledge that this is not the case, and the Agent does not have to verify the contents of any such documentation.
- (d) If the Issuer has not provided the conditions precedent set out in paragraph (b) above to the Agent, on or before the Business Day falling thirty (30) Business Days after the Issue Date (the “**Long Stop Date**”) the Issuer shall redeem all, but not some only, of the outstanding Notes in full at a price equal to 100 per cent of the Nominal Amount of the Notes, together with accrued but unpaid interest (a “**Mandatory Redemption**”).

The Agent may fund a Mandatory Redemption with the amounts standing to the credit on the Escrow Account.

- (e) A Mandatory Redemption shall be made by the Issuer giving notice to the Noteholders and the Agent promptly following the date when the Mandatory Redemption is triggered pursuant to paragraph (b) above. The Issuer is bound to redeem the Notes in full at the applicable amount on a date specified in the notice from the Issuer, such date to fall no later than ten (10) Business Days after the Long Stop Date.

## **5 NOTES IN BOOK-ENTRY FORM**

- (a) The Notes will be issued in dematerialised form in the Book-Entry Securities System in accordance with the Book-Entry System Act and regulations of the CSD and no physical notes will be issued.
- (b) Each Noteholder consents to the Issuer having a right to obtain information on the Noteholders, their contact details and their holdings of the Notes registered in the Book-Entry Securities System, such as information recorded in the lists referred to in paragraphs 2 and 3 of Section 3 of Chapter 4 of the Book-Entry System Act kept by the CSD in respect of the Notes and the CSD shall be entitled to provide such information upon request. At the request of the Agent or the Issuing Agent, the Issuer shall (and shall be entitled to do so) promptly obtain such information and provide it to the Agent or the Issuing Agent, as applicable.
- (c) The Agent and the Issuing Agent shall have the right to obtain information referred to in paragraph (b) above from the CSD in respect of the Notes if so permitted under the regulation of the CSD. The Issuer agrees that each of the Agent and the Issuing Agent is at any time on its behalf entitled to obtain information referred to in paragraph (b) above from the CSD in respect of the Notes.
- (d) The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Notes. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Noteholders.
- (e) The Issuer, the Agent and the Issuing Agent may use the information referred to in paragraph (b) above only for the purposes of carrying out their duties and exercising their rights in accordance with these Terms and Conditions with respect to the Notes and shall not disclose such information to any Noteholder or third party unless necessary for the before-mentioned purposes.

## **6 RIGHT TO ACT ON BEHALF OF A NOTEHOLDER**

- (a) If any Person other than a Noteholder wishes to exercise any rights specifically allocated to Noteholders under the Finance Documents, it must obtain a power of attorney from the Noteholder or a successive, coherent chain of powers of attorney starting with the Noteholder and authorising such Person or provide other evidence of ownership or authorisation satisfactory to the Agent.
- (b) A Noteholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Notes held by it. Any such representative may act independently under the Finance Documents in relation to the Notes for which such representative is entitled to represent the Noteholder and may further delegate its right to represent the Noteholder by way of a further power of attorney.
- (c) The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clause 6(b) and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face or is otherwise notified to the Agent.

## **7 PAYMENTS IN RESPECT OF THE NOTES**

- (a) Any payments under or in respect of the Notes pursuant to these Terms and Conditions shall be made to the person who is registered as a Noteholder at the Record Time prior to an Interest Payment Date or other relevant due date in accordance with the Finnish legislation governing the Book-Entry Securities System and book-entry accounts as well as the regulations of the CSD.
- (b) If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Any such postponement shall not affect the Record Time. Interest shall accrue in accordance with Clause 8(c) during such postponement.
- (c) If payment or repayment is made in accordance with this Clause 7, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a person not entitled to receive such amount.
- (d) The Issuer is not liable to gross-up any payments under these Terms and Conditions by virtue of any withholding tax, public levy or the similar, except as provided under Clause 22 (*Tax Gross-up*).
- (e) All payments to be made by the Issuer pursuant to these Terms and Conditions shall be made without (and free and clear of any deduction for) set-off or counterclaim.

## **8 INTEREST**

- (a) Each Initial Note carries Interest at the Interest Rate from (and including) the First Issue Date up to (but excluding) the relevant Redemption Date. Any Subsequent Note will carry Interest at the Interest Rate from (and including) the Interest Payment Date falling immediately prior to its issuance up to (but excluding) the relevant Redemption Date.
- (b) Interest accrues during an Interest Period. Payment of Interest in respect of the Notes shall be made to the Noteholders on each Interest Payment Date for the preceding Interest Period.
- (c) Interest shall be calculated on the “actual/actual ICMA” basis as specified by the International Capital Market Association.
- (d) If the Issuer fails to pay any amount payable by it on its due date, default interest shall accrue on the overdue amount from (and including) the due date up to (but excluding) the date of actual payment at a rate which is two (2) per cent higher than the Interest Rate. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent, the Issuing Agent or the CSD, in which case the Interest Rate shall apply instead.

## **9 REDEMPTION AND REPURCHASE OF THE NOTES**

### **9.1 Redemption at maturity**

The Issuer shall redeem all, but not only some, of the outstanding Notes in full on the Final Maturity Date with an amount per Note equal to the Nominal Amount together with accrued but unpaid Interest. If the Final Maturity Date is not a CSD Business Day, then the redemption shall occur on the CSD Business Day determined by application of the Business Day Convention.

### **9.2 Group Companies' purchase of Notes**

Each Group Company may at any time purchase Notes. Notes held by a Group Company may at such Group Company's discretion be retained, sold or, if held by the Issuer, be cancelled.

### **9.3 Voluntary Total Redemption**

- (a) At any time prior to the First Call Date, the Issuer may redeem all but not part of the Notes, at a redemption price per Note equal to the sum of (i) 103.6 per cent of the

Outstanding Nominal Amount redeemed and accrued but unpaid interest to the Redemption Date, and (ii) the remaining interest payments to, but excluding the First Call Date subject to the rights of Noteholders on the relevant Record Time to receive interest due on the relevant Interest Payment Date.

- (b) On or after the First Call Date, the Issuer may on any one occasion redeem all but not only part of Notes at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued but unpaid interest to the Redemption Date, subject to the rights of Noteholders on the relevant Record Time to receive interest due on the relevant Interest Payment Date.

Months from the Issue Date	Redemption Price
at least 18 but less than 24	103.6 per cent
at least 24 but less than 30	103.0 per cent
at least 30 but less than 36	102.4 per cent
at least 36 but less than 42	101.5 per cent
at least 42 and thereafter	100.00 per cent

- (c) Redemption in accordance with this Clause 9.3 shall be made by the Issuer giving not less than twenty (20) Business Days' notice prior to the relevant Redemption Date (which must be a CSD Business Day) to the Noteholders and the Agent and in accordance with the instructions of the Issuer or the Issuing Agent, as applicable. Any such notice is irrevocable (but for the sake of clarity, may be conditional) and, upon expiry of such notice, the Issuer is bound to redeem the Notes in full with the applicable amounts.

#### 9.4 Mandatory Repurchase due to a Change of Control Event (Put Option)

- (a) Upon a Change of Control Event occurring, each Noteholder shall have the right to request that all, or only some, of its Notes be repurchased at a price per Note equal to 101.00 per cent of the Outstanding Nominal Amount together with accrued but unpaid interest, during a period of sixty (60) days following a notice from the Issuer of the Change of Control Event pursuant to Clause 10.1(b) (after which time period such right shall lapse).
- (b) The notice from the Issuer pursuant to Clause 10.1(b) shall specify the repurchase date that is a CSD Business Day and include instructions about the actions that a Noteholder needs to take if it wants Notes held by it to be repurchased. If a Noteholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall repurchase the relevant Notes and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 10.1(b). The repurchase date must fall no later than twenty (20) Business Days after the end of the sixty (60) days period referred to in Clause 9.4(a).
- (c) If Notes representing more than 75 per cent of the aggregate nominal principal amount of the Notes have been repurchased pursuant to this Clause 9.4, the Issuer is entitled to repurchase all the remaining outstanding Notes at the price stated in Clause 9.4 above by notifying the remaining Noteholders of its intention to do so no later than fifteen (15) Business Days after the latest possible repurchase date pursuant to paragraph (b) above. Such prepayment may occur at the earliest on the tenth CSD Business Day following the date of such notice.

#### 9.5 Early Redemption due to Illegality

- (a) The Issuer may redeem all but not part of the Notes at a price per Note equal to 100 per cent of the Outstanding Nominal Amount, together with any accrued but unpaid interest to the Redemption Date, if on or after the Issue Date it is or becomes unlawful for the Issuer to perform its obligations under the Terms and Conditions.
- (b) The Issuer shall give notice of any redemption pursuant to this Clause 9.5 at least fifteen (15) but no more than forty (40) Business Days after having received actual

knowledge of any event specified therein (after which time period such right shall lapse). Any such notice is irrevocable (but for the sake of clarity, may be conditional) and, upon expiry of such notice, the Issuer is bound to redeem the Notes in full at the applicable amounts.

## 9.6 Early Redemption due to Withholding Tax Event

- (a) The Issuer may redeem all but not part of the Notes at a price per Note equal to 100 per cent of the Outstanding Nominal Amount, together with any accrued but unpaid interest to the Redemption Date, if on or after the Issue Date:
- (i) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay Additional Amounts, as a result of any change in, or amendment to, the laws or regulations of Finland or any political subdivision thereof or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date; and
  - (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,
- provided that no such notice of redemption shall be given earlier than ninety (90) days prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts in relation to a payment in respect of the Notes then due.
- (b) Any notice to the Noteholders in accordance with this Clause 9.6 is irrevocable (but for the sake of clarity, may be conditional) and, upon expiry of such notice, the Issuer is bound to redeem the Notes in full at the applicable amounts.

## 9.7 General

The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Notes.

## 10 INFORMATION TO NOTEHOLDERS

### 10.1 Information from the Issuer

- (a) The Issuer shall make the following information available in the English language to the Noteholders by publication on the website of the Issuer:
- (i) as soon as the same become available, but in any event within four (4) months after the end of each financial year, the annual audited consolidated financial statements of the Group and the annual audited unconsolidated financial statements of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors;
  - (ii) as soon as the same become available, but in any event within two (2) months after the end of each quarter of its financial year, the quarterly interim unaudited consolidated reports of the Group, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors;
  - (iii) its unaudited consolidated financial statements and the year-end report (Fi: *tilinpäättöstiedote*) (as applicable) for such period; and
  - (iv) any other information required by the Finnish Securities Markets Act (Fi: *Arvopaperimarkkinalaki 746/2012*) and the rules and regulations of the Regulated Market on which the Notes are listed.

- (b) The Issuer shall promptly notify the Agent when the Issuer is or becomes aware of the occurrence of a Change of Control Event and shall provide the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice.
- (c) When the financial statements and other information are made available the Noteholders pursuant to paragraph (a) above, the Issuer shall send copies of such financial statements and other information to the Agent.
- (d) The Issuer shall:
  - (i) in connection with the delivery of a Financial Report,
  - (ii) in connection with the incurrence of new Financial Indebtedness or a Restricted Transaction; or
  - (iii) within twenty (20) days from the Agent's request,

submit to the Agent a Compliance Certificate which, in cases (ii) and (iii) above, shall also contain calculations and figures in respect of the Incurrence Test.

- (e) The Issuer shall immediately notify the Agent (with full particulars) when the Issuer is or becomes aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.
- (f) The Issuer is only obliged to inform the Agent according to this Clause 10.1 if informing the Agent would not conflict with any applicable laws or, when the Notes are listed, the Issuer's registration contract with the Regulated Market. If such a conflict would exist pursuant to the listing contract with the Regulated Market or otherwise, the Issuer shall however be obliged to either seek approval from the Regulated Market or undertake other reasonable measures, including entering into a non-disclosure agreement with the Agent, in order to be able to timely inform the Agent according to this Clause 10.1.

## **10.2 Information from the Agent**

The Agent is entitled to disclose to the Noteholders any event or circumstance directly or indirectly relating to the Issuer or the Notes. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Noteholders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.

## **10.3 Publication of Finance Documents**

- (a) The latest version of these Terms and Conditions (including any document amending these Terms and Conditions) shall be available on the websites of the Issuer and the Agent.
- (b) The latest versions of the other Finance Documents shall be available for review at the office of the Agent during normal business hours.

## **11 INCURRENCE COVENANT**

### **11.1 Incurrence Test**

The Incurrence Test is met if, at the relevant time:

- (a) the Net Interest Bearing Debt to EBITDA does not exceed 4.00:1;
- (b) the Interest Coverage Ratio exceeds 3.00:1; and
- (c) the Equity Ratio exceeds 27.5 per cent,

calculated in accordance with the calculation principles set out in Clause 11.2 (*Calculation Adjustments*), on a consolidated basis and based on the most recently delivered Financial Report.

## 11.2 Calculation Adjustments

The calculation of the ratio of Net Interest Bearing Debt to EBITDA shall be made as per a testing date determined by the Issuer, falling no more than one month prior to the incurrence of the new Financial Indebtedness or a distribution or loan in accordance with Clause 12.2 (*Distributions*). The Net Interest Bearing Debt shall be measured on the relevant testing date so determined, but include the new Financial Indebtedness calculated in accordance with the Adjusted Accounting Principles less any Financial Indebtedness refinanced in immediate connection with the incurrence of the new Financial Indebtedness and taking into account any Equity Adjustment (however, any cash balance resulting from the incurrence of the new Financial Indebtedness shall not reduce the Net Interest Bearing Debt). The calculation of the Net Interest Bearing Debt to EBITDA shall be made for the Relevant Period ending on the last day of the period covered by the most recent Financial Report.

- (a) When the Interest Coverage Ratio is measured under the Incurrence Test, as applicable, the calculation of the Interest Coverage Ratio shall be made for the Relevant Period ending on the last day of the period covered by the most recent Financial Report.
- (b) The figures for EBITDA, Finance Charges and Net Finance Charges for the Relevant Period ending on the last day of the period covered by the most recent Financial Report shall be used for the Incurrence Test, but adjusted so that:
  - (i) entities acquired or disposed of by the Group during the Relevant Period, or after the end of the Relevant Period but before the relevant testing date, shall be included or excluded (as applicable), pro forma, for the entire Relevant Period; and
  - (ii) any entity to be acquired with the proceeds from new Financial Indebtedness shall be included, pro forma, for the entire Relevant Period.
- (c) The figures for Finance Charges and Net Finance Charges for the Relevant Period ending on the last day of the period covered by the most recent Financial Report shall be used for the Incurrence Test, but adjusted so that any new debt incurred and any existing debt being refinanced shall be included or excluded as applicable, pro forma, for the entire Relevant Period.
- (d) The Equity Ratio shall be measured on the relevant testing date so determined and taking into account any Equity Adjustment.

## 12 GENERAL UNDERTAKINGS

### 12.1 General

The Issuer undertakes to (and shall, where applicable, procure that each other Group Company will) comply with the undertakings set out in this Clause 12 for as long as any Notes remain outstanding.

### 12.2 Distributions

- (a) Subject to paragraph (b) below, the Issuer shall not, and shall procure that none of its Subsidiaries will:

- (i) pay any dividend on its shares to the Issuer's direct or indirect shareholders (other than the minority dividend in accordance with the Companies Act (Fi: *osakeyhtiölaki*, 624/2006, as amended);
- (ii) repurchase any of its own shares;
- (iii) redeem its share capital or other restricted equity with repayment to shareholders;
- (iv) grant any loans to any of the Issuer's direct or indirect shareholders; or
- (v) make any other similar distribution or transfers of value (including but not limited to any distribution from the fund of invested unrestricted equity (Fi: *sijoitetun vapaan oman pääoman rahasto*)) to the direct or indirect shareholder of the Issuer, or any Affiliates of the Issuer (other than the Issuer or another Subsidiary of the Issuer),

(items (i)-(v) above are together and individually referred to as a "**Restricted Transaction**").

- (b) Notwithstanding paragraph (a) above, a Restricted Transaction can be made:
  - (i) by any of the Issuer's Subsidiaries if such Restricted Transaction is made to the Issuer or any of the Subsidiaries and, if made by a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, is made on a pro rata basis; and
  - (ii) by the Issuer provided (A) no Event of Default is continuing or would result from such Restricted Transaction and (B) the Incurrence Test is fulfilled (calculated on a pro forma basis including the relevant Restricted Transaction).

### 12.3 Nature of Business

The Issuer shall procure that no substantial change is made to the general nature of the business carried on by the Group as of the First Issue Date if such substantial change would have a Material Adverse Effect.

### 12.4 Financial Indebtedness

The Issuer shall not, and shall procure that none of its Subsidiaries, incur any Financial Indebtedness, provided however that the Issuer and the Subsidiaries have a right to incur Financial Indebtedness that constitute Permitted Debt, if such Permitted Debt is incurred on market terms (or better).

### 12.5 Dealings with Related Parties

The Issuer shall, and shall procure that its Subsidiaries, conduct all dealings with the direct and indirect shareholders of the Group Companies (excluding other Group Companies) and/or any Affiliates of such direct and indirect shareholders at arm's length terms.

### 12.6 Disposal of Assets

- (a) The Issuer shall not, and shall procure that no Subsidiary, sell or otherwise dispose of shares in any Subsidiary or of all or substantially all of its or that Subsidiary's assets, or operations to any person not being the Issuer or any of its wholly-owned Subsidiaries, unless the transaction is carried out on market terms and on terms and conditions customary for such transaction and provided that it does not have a Material Adverse Effect. The Issuer shall notify the Agent of any such transaction and, upon request by the Agent, provide the Agent with any information relating to the transaction which the Agent deems necessary (acting reasonably).

- (b) The Issuer shall within twelve (12) months after receipt of the cash proceeds resulting from a sale, transfer or disposal exceeding 15 per cent of the Consolidated Assets during any financial year apply, and/or cause the relevant Group Company to apply half (1/2) of those cash proceeds at its discretion to make an investment in properties and/or assets that will be used in the business of the Group or in repayment of any Financial Indebtedness incurred by the Group Companies. The Issuer may during such twelve (12) month period launch an offer to repurchase the Notes for their nominal amount, in which case the above requirement shall be deemed fulfilled irrespective of whether any Notes are so repurchased.

## 12.7 Negative Pledge

The Issuer shall not, and shall procure that none of its Subsidiaries, provide, prolong or renew any guarantee or security over any of its/their assets (present or future) to secure any loan or other indebtedness, provided however that the Group Companies have a right to (i) provide, prolong and renew any Permitted Security.

## 12.8 Mergers and Demergers

- (a) The Issuer shall not (and shall procure that no other Group Company will) carry out:
  - (i) any merger (or other business combination or corporate reorganisation involving the consolidation of assets and obligations) of the Issuer or such other Group Company with any other Person (other than (i) a Group Company provided that the Issuer (if involved) is the surviving entity or (ii) a Person other than a Group Company but then provided that (A) if that Group Company is the surviving entity, the Incurrence Test is met and (B) if that Group Company (other than the Issuer) is not the surviving entity, the Incurrence Test is met;
  - (ii) any demerger (or a corporate reorganisation having the same or equivalent effect) of the Issuer; or
  - (iii) any liquidation of the Issuer.
- (b) Each Noteholder agrees, with respect to the Notes it holds, not to exercise, and hereby waives in advance, its right in accordance with the Finnish Companies Act (Fi: *Osakeyhtiölaki* 624/2006, as amended) to object to any merger or demerger if (and only if) such merger or demerger (as applicable) (a) is not prohibited under these Terms and Conditions or (b) has been consented to by the Noteholders in a Noteholders' Meeting or by way of a Written Procedure.

## 12.9 Authorisations

The Issuer shall (and shall procure that all other Group Companies will) obtain, comply with, renew and do all that is necessary to maintain in full force and effect, any licenses, authorisation or any other consents required to enable it to carry on its business where failure to do so would have a Material Adverse Effect.

## 12.10 Compliance with laws

The Issuer shall (and shall procure that each other Group Company will) comply with all laws and regulations to which it may be subject from time to time, if failure so to comply would have a Material Adverse Effect.

## 12.11 Listing of the Notes

- (a) An application will be made in connection with the First Issue Date or promptly thereafter to, with the aim of having the Notes listed on, the Helsinki Stock Exchange maintained by Nasdaq Helsinki Ltd.

- (b) Upon any issuance of Subsequent Notes, the Issuer shall promptly, but not later than ten (10) Business Days after the relevant issue date, procure that the volume of Notes listed is increased accordingly.

### **12.12 Intellectual Property**

The Issuer shall (and shall ensure that all other Group Companies):

- (i) preserve and maintain the subsistence and validity of the Intellectual Property which are material in order for the Group to conduct its business;
- (ii) use reasonable endeavours to prevent infringement in any material respect of any intellectual Property; and
- (iii) make registrations and pay all registration fees and taxes necessary to maintain the Intellectual Property in full force and effect and record its interest in that Intellectual Property.

### **13 EVENTS OF DEFAULT AND ACCELERATION OF THE NOTES**

Each of the events or circumstances set out in this Clause 13 (other than Clause 13.8 (*Acceleration of the Notes*)) is an Event of Default.

#### **13.1 Non-Payment**

The Issuer fails to pay an amount on the date it is due in accordance with the Terms and Conditions unless the non-payment:

- (a) is caused by technical or administrative error; and
- (b) is remedied within five (5) Business Days of the due date.

#### **13.2 Other Obligations**

The Issuer does not comply with any other provision under the Finance Documents or the Agency Agreement provided that the Agent has requested the Issuer in writing to remedy such failure and the Issuer has not remedied the failure within fifteen (15) Business Days from such request (if the failure or violation is not capable of being remedied, the Agent may declare the Notes payable without such prior written request).

#### **13.3 Cross-Acceleration**

Any Financial Indebtedness of a Group Company is not paid when due as extended by any originally applicable grace period, or is declared to be due and payable prior to its specified maturity as a result of an event of default (however described), provided that no Event of Default will occur under this Clause 13.3 if the aggregate amount of Financial Indebtedness declared to be or otherwise becoming due and payable is less than EUR 1,000,000 and provided that it does not apply to any Financial Indebtedness owed to a Material Group Company.

#### **13.4 Insolvency**

- (a) Any Material Group Company is Insolvent; or
- (b) a moratorium is declared in respect of the Financial Indebtedness of any Material Group Company.

#### **13.5 Insolvency Proceedings**

Any corporate action, legal proceedings or other procedures are taken (other than (i) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within 60 days of commencement or, if earlier, the date on which it is advertised and (ii), in relation to Subsidiaries, solvent liquidations) in relation to:

- (a) the suspension of payments, winding-up, dissolution, administration or reorganisation (by way of voluntary agreement, corporate reorganisation (Fi: *yrityssaneeraus*) scheme of arrangement or otherwise) of any Material Group Company; and
- (b) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any Material Group Company or any of its assets or any analogous procedure or step is taken in any jurisdiction.

### 13.6 Creditors' Process

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Material Group Company having an aggregate value of an amount equal to or exceeding EUR 1,000,000 and is not discharged within 30 days.

### 13.7 Impossibility or Illegality

It is or becomes impossible or unlawful for the Issuer to fulfil or perform any of the provisions of the Finance Documents or if the obligations under the Finance Documents are not, or cease to be, legal, valid, binding and enforceable.

### 13.8 Acceleration of the Notes

- (a) If an Event of Default has occurred and is continuing, the Agent is entitled to, on behalf of the Noteholders (i) by notice to the Issuer, declare all, but not only some, of the Notes due for payment together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines (but such date may not fall after the Final Maturity Date), and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.
- (b) If the Noteholders (in accordance with these Terms and Conditions) instruct the Agent to accelerate the Notes, the Agent shall, promptly declare the Notes due and payable and take such actions as, in the opinion of the Agent, may be necessary or desirable to enforce the rights of the Noteholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- (c) If the right to accelerate the Notes is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- (d) In the event of an acceleration of the Notes in accordance with this Clause 13, the Issuer shall redeem all Notes with an amount equal to 101 per cent of the Nominal Amount or such lower redemption amount specified in Clause 9.3 (*Voluntary Total Redemption*), as applicable considering when the acceleration occurs.

## 14 DISTRIBUTION OF PROCEEDS

All proceeds received in connection with an acceleration of the Notes shall be made and/or distributed in the following order of priority, in accordance with the instructions of the Agent:

- (a) first, in or towards payment pro rata of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement (other than any indemnity given for liability against the Noteholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Notes, the protection of the Noteholders' rights as may have been incurred by the Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 19.2(g) or paid to the Agent, and (iv) any costs and expenses incurred by the Agent in relation to a Noteholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 15(c);

- (b) secondly, towards payment of accrued interest unpaid under the Notes;
- (c) thirdly, towards payment of principal under the Notes; and
- (d) fourthly, in or towards payment of any other costs or outstanding amounts under the Notes.

Any excess funds after the application of proceeds in accordance with the above shall be paid to the Issuer.

## 15 DECISIONS BY NOTEHOLDERS

- (a) A request by the Agent for a decision by the Noteholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Noteholders' Meeting or by way of a Written Procedure.
- (b) Any request from the Issuer or a Noteholder (or Noteholders) representing at least ten (10) per cent of the Adjusted Nominal Amount (such request may only be validly made by a person who is a Noteholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Noteholders, be made by them jointly) for a decision by the Noteholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Noteholders' Meeting or by way of a Written Procedure, as determined by the Agent. The person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Noteholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Noteholders' Meeting.
- (c) The Agent may refrain from convening a Noteholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Noteholders and such person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- (d) Only a person who is, or who has been provided with a power of attorney pursuant to Clause 6 (*Right to Act on Behalf of a Noteholder*) from a person who is, registered as a Noteholder:
  - (i) at the Record Time on the CSD Business Day specified in the communication pursuant to Clause 16(c), in respect of a Noteholders' Meeting; or
  - (ii) at the Record Time on the CSD Business Day specified in the communication pursuant to Clause 17(c), in respect of a Written Procedure,

may exercise voting rights as a Noteholder at such Noteholders' Meeting or in such Written Procedure in respect of Notes held by such person at the relevant Record Time, provided that the relevant Notes are included in the definition of Adjusted Nominal Amount.
- (e) The following matters shall require the consent of Noteholders representing at least sixty-six and two thirds (66 2/3) per cent of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17(c):
  - (i) a waiver of a breach or an amendment of an undertaking set out in Clause 12 (*General Undertakings*);
  - (ii) a reduction of the principal amount, interest rate or interest amount which shall be paid by the Issuer;
  - (iii) a change to the terms of paragraphs (a), (e) and (f) of Clause 2;

- (iv) a reduction of the premium payable upon the redemption or repurchase of any Note pursuant to Clause 9 (*Redemption and Repurchase of the Notes*);
  - (v) a change to the terms for the distribution of proceeds set out in Clause 14 (*Distribution of Proceeds*);
  - (vi) a change of issuer;
  - (vii) a mandatory exchange of the Notes for other securities;
  - (viii) an amendment to any payment day for principal or interest amount or a waiver of any breach of a payment undertaking; or
  - (ix) an amendment of the provisions regarding the majority requirements under these Terms and Conditions.
- (f) Any matter not covered by Clause 15(e) shall require the consent of Noteholders representing more than fifty (50) per cent of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17(c). This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 18(a)(i) or 18(a)(ii)).
- (g) Quorum at a Noteholders' Meeting or in respect of a Written Procedure only exists if a Noteholder (or Noteholders) representing at least fifty (50) per cent of the Adjusted Nominal Amount in case of a matter pursuant to paragraph (e) of Clause 15, and otherwise twenty (20) per cent of the Adjusted Nominal Amount:
- (i) if at a Noteholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
  - (ii) if in respect of a Written Procedure, reply to the request.
- (h) If a quorum does not exist at a Noteholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Noteholders' Meeting (in accordance with Clause 16(a)) or initiate a second Written Procedure (in accordance with Clause 17(a)), as the case may be, provided that the relevant proposal has not been withdrawn by the person(s) who initiated the procedure for Noteholders' consent. The quorum requirement in Clause 15(g) shall not apply to such second Noteholders' Meeting or Written Procedure.
- (i) Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as applicable.
- (j) A Noteholder holding more than one Note need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- (k) The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Noteholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Noteholders that consent at the relevant Noteholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- (l) A matter decided at a duly convened and held Noteholders' Meeting or by way of Written Procedure is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding in the Written Procedure. The

Noteholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Noteholders.

- (m) All reasonable costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Noteholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- (n) If a decision shall be taken by the Noteholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Notes owned by Group Companies, irrespective of whether such person is directly registered as owner of such Notes. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Note is owned by a Group Company.
- (o) Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Noteholders and published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Noteholders' Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer or the Agent, as applicable.

## **16 NOTEHOLDERS' MEETING**

- (a) The Agent shall convene a Noteholders' Meeting by sending a notice thereof to the CSD and each Noteholder no later than five (5) Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons).
- (b) Should the Issuer want to replace the Agent, it may convene a Noteholders' Meeting in accordance with Clause 16(a) with a copy to the Agent. After a request from the Noteholders pursuant to Clause 19.4(c), the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Noteholders' Meeting in accordance with Clause 16(a).
- (c) The notice pursuant to Clause 16(a) shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Noteholders) and (iv) a specification of the CSD Business Day at the end of which a person must be registered as a Noteholder in order to be entitled to exercise voting rights at the meeting and (v) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Noteholders' Meeting. Should prior notification by the Noteholders be required in order to attend the Noteholders' Meeting, such requirement shall be included in the notice.
- (d) The Noteholders' Meeting shall be held no earlier than ten (10) Business Days and no later than twenty (20) Business Days from the notice.
- (e) Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Noteholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Noteholders to vote without attending the meeting in person.

## **17 WRITTEN PROCEDURE**

- (a) The Agent shall instigate a Written Procedure no later than five (5) Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to the CSD and each such person who is registered as a Noteholder at the Business Day prior to the date on which the communication is sent.
- (b) Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 17(a) to each Noteholder with a copy to the Agent.

- (c) A communication pursuant to Clause 17(a) shall include (i) each request for a decision by the Noteholders, (ii) a description of the reasons for each request, (iii) a specification of the CSD Business Day at the end of which a person must be registered as a Noteholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Noteholder must reply to the request (such time period to last at least fifteen (15) Business Days from the communication pursuant to Clause 17(a)). If the voting shall be made electronically, instructions for such voting shall be included in the communication.
- (d) When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 15(e) and 15(f) have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 15(e) or 15(f), as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## 18 AMENDMENTS AND WAIVERS

- (a) The Issuer and the Agent (acting on behalf of the Noteholders) may agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:
  - (i) such amendment or waiver is not detrimental to the interest of the Noteholders, or is made solely for the purpose of rectifying obvious errors and mistakes;
  - (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
  - (iii) such amendment or waiver has been duly approved by the Noteholders in accordance with Clause 15 (*Decisions by Noteholders*).
- (b) The Agent shall promptly notify the Noteholders of any amendments or waivers made in accordance with Clause 18(a), setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 10.3 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to these Terms and Conditions are duly registered with the CSD and each other relevant organisation or authority.
- (c) An amendment to the Finance Documents shall take effect on the date determined by the Noteholders Meeting, in the Written Procedure or by the Agent, as the case may be.

## 19 APPOINTMENT AND REPLACEMENT OF THE AGENT

### 19.1 Appointment of Agent

- (a) By subscribing for Notes, each initial Noteholder, and, by acquiring Notes, each subsequent Noteholder:
  - (i) agrees to and accepts the appointment of the Agent to act as its agent and representative under the Act on Noteholders' Agent in all matters relating to the Notes and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in all matters set out in the Act on Noteholders' Agent and particularly in any legal or arbitration proceedings relating to the Notes held by such Noteholder and to exercise such rights, powers, authorities and discretions as are specifically delegated to the Agent by the Act on Noteholders' Agent and these Terms and Conditions and the Finance Documents together with all such rights, powers, authorities and discretions as are incidental thereto; and

- (ii) agrees to and accepts that, upon the Agent delivering an acceleration notice in accordance with Clause 13.8, it will be considered to have irrevocably transferred to the Agent all its procedural rights and legal authority to claim and collect any and all receivables under the Notes, enforce any Finance Document and to receive any funds in respect of the Notes or under the Finance Documents (Fi: *prokurasiirto*) as a result of which transfer, the Agent shall be irrevocably entitled to take all such action in its own name but on behalf of and for the benefit of each Noteholder (at the expense of the Noteholders).
- (b) Each Noteholder shall immediately upon request provide the Agent with any such documents (in form and substance satisfactory to the Agent, that the Agent or deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is not under any obligation to represent a Noteholder which does not comply with such request if due to such failure the Agent is unable to represent such Noteholder.
- (c) The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- (d) The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.

## 19.2 Duties of the Agent

- (a) The Agent shall represent the Noteholders in accordance with the Finance Documents.
- (b) When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Noteholders. The Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- (c) The Agent shall monitor the compliance by the Issuer with its obligations under the Finance Documents on the basis of information made available to it pursuant to the Finance Documents or received from a Noteholder. The Agent is not obligated to assess the Issuer's financial situation other than as expressly set out in these Terms and Conditions.
- (d) The Agent is entitled to take any step it in its sole discretion considers necessary or advisable to protect the rights of the Noteholders pursuant to these Terms and Conditions.
- (e) The Agent is entitled to delegate its duties to other professional parties, provided that such professional parties are selected with due care.
- (f) The Agent shall treat all Noteholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Noteholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- (g) The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all reasonable costs for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event which the Agent reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Noteholders under the Finance Documents. Any compensation for damages or other

recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 14 (*Distribution of Proceeds*).

- (h) Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (i) If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Noteholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- (j) The Agent shall give a notice to the Noteholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or (ii) if it refrains from acting for any reason described in paragraph (i) above.

### **19.3 Limited liability for the Agent**

- (a) The Agent will not be liable to the Noteholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct, or unless otherwise provided for in the Act on Noteholders' Agent. The Agent shall never be responsible for indirect loss.
- (b) The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Noteholders to delay the action in order to first obtain instructions from the Noteholders.
- (c) The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Noteholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- (d) The Agent shall have no liability to the Noteholders for damage caused by the Agent acting in accordance with instructions of the Noteholders given in accordance with Clause 15 (*Decisions by Noteholders*) or a demand by Noteholders given pursuant to Clause 13.8(a).
- (e) Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Noteholders under the Finance Documents.

### **19.4 Replacement of the Agent**

- (a) Subject to Clause 19.4(g), the Agent may resign by giving notice to the Issuer and the Noteholders, in which case the Noteholders shall appoint a successor Agent at a Noteholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- (b) Subject to Clause 19.4(g), if the Agent is Insolvent, is removed by the Finnish Financial Supervisory Authority from the public register of noteholders' agents referred to in the Act on Noteholders' Agent or is no longer independent of the Issuer, the Agent shall be deemed to resign as Agent with immediate effect and the Issuer shall within ten

(10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.

- (c) Any successor Agent appointed pursuant to this Clause 19.4 must be an independent financial institution or other independent reputable company which regularly acts as agent under debt issuances and which is registered (if required to be so registered by the Act on Noteholders' Agent) in the public register of noteholders' agents referred to in the Act on Noteholders' Agent.
- (d) A Noteholder (or Noteholders) representing at least ten (10) per cent of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a person who is a Noteholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Noteholders, be given by them jointly), require that a Noteholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Noteholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Noteholders that the Agent be dismissed and a new Agent appointed.
- (e) If the Noteholders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Noteholders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- (f) The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- (g) The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.
- (h) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Noteholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.
- (i) In the event that there is a change of the Agent in accordance with this Clause 19.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents and the Agency Agreement.

## **20 APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT**

- (a) The Issuer appoints the Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Notes.
- (b) The Issuing Agent may retire from their respective assignment or be dismissed by the Issuer, provided that the Issuer has approved that a commercial bank or securities institution approved by the CSD accedes as new Issuing Agent at the same time as the old Issuing Agent retires or is dismissed. If the Issuing Agent is Insolvent, the Issuer shall immediately appoint a new Issuing Agent, which shall replace the old Issuing Agent in accordance with these Terms and Conditions.

## 21 NO DIRECT ACTIONS BY NOTEHOLDERS

- (a) A Noteholder may not take any steps whatsoever against the Issuer to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (Fi: *yrittysaneeraus*) or bankruptcy (Fi: *konkurssi*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the liabilities of the Issuer under the Finance Documents.
- (b) Clause 21(a) shall not apply if the Agent has been instructed by the Noteholders in accordance with these Terms and Conditions to take certain actions but is legally unable to take such actions.

## 22 TAX GROSS-UP

All payments in respect of the Notes by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of Finland or any political subdivision of, or any authority in, or of, Finland having power to tax, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the Noteholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of the withholding or deduction (such amounts being "**Additional Amounts**"), except that no Additional Amounts shall be payable in relation to any payment in respect of any Note:

- (i) to, or to a third party on behalf of, a Noteholder who is liable to the Taxes in respect of the Note by reason of his having some connection with Finland other than the mere holding of the Note; or
- (ii) to, or to a third party on behalf of, a Noteholder who would not be liable or subject to the withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority.

## 23 PRESCRIPTION

- (a) The right to receive payment of the principal of or interest on the Notes shall be prescribed and become void three (3) years from the date on which such payment became due.
- (b) If a limitation period is duly interrupted in accordance with the Finnish Act on Limitations (Fi: *Laki velan vanhentumisesta* 728/2003, as amended), a new limitation period of at least three (3) years will commence.

## 24 NOTICES

- (a) Any notice or other communication to be made under or in connection with the Finance Documents:
  - (i) if to the Agent, shall be given to the following address Nordic Trustee Oy, Alexander Livman, Aleksanterinkatu 44, FI-00100 Helsinki, Finland and by email to [finland@nordictrustee.com](mailto:finland@nordictrustee.com);
  - (ii) if to the Issuing Agent, shall be given to the following address: Danske Bank A/S, Finland Branch, Kasarmikatu 21 B, PL 1613, FI-00075 DANSKE BANK, FI-00130, Helsinki, Finland and by email to [debtcapitalmarkets@danskebank.com](mailto:debtcapitalmarkets@danskebank.com);
  - (iii) if to the Issuer, to the following addressee and address:  
  
Solteq Plc

Attn: Chief Financial Officer  
Karhumäentie 3  
FI-01530 Vantaa  
Finland

- (iv) if to the Noteholders, shall be sent by way of courier, email, personal delivery or letter by the Issuer or the Agent or published by way of press release or stock exchange release (as applicable) by the Issuer or.
- (b) Any notice to the Noteholders shall also be published on the websites of the Issuer and the Agent.
- (c) Any notice or other communication made by one person to another under or in connection with the Finance Documents shall be sent by way of courier, email, personal delivery or letter and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 24(a) or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 24(a) or, in the case of e-mail, when actually received in a readable form. Any notice shall be deemed to have been received by the Noteholders when published in any manner specified in paragraph (iv) of Clause 24(a) above.
- (d) If an Event of Default is continuing, any notice or other communication made by the Agent to the Issuer under or in connection with the Finance Documents may, provided that the Agent deems it necessary in order to preserve the Noteholders' rights under the Finance Documents, be sent by email and will be effective on the day of dispatch (unless a delivery failure message was received by the Agent), save that any notice or other communication sent by email that is sent after 5.00 pm in the place of receipt shall be deemed only to become effective on the following day. Any notice or other communication to be sent by email by the Agent to the Issuer in accordance with this paragraph (d) shall be sent to the CFO or the CEO of the Issuer, to the email addresses most recently notified by the Issuer to the Agent.

## **25 GOVERNING LAW AND JURISDICTION**

- (a) These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Finland.
- (b) The Issuer submits to the non-exclusive jurisdiction of the Finnish courts with the District Court of Helsinki (Fi: *Helsingin käräjäoikeus*) as the court of first instance.
- (c) Paragraphs (a) and (b) above shall not limit the right of the Agent (or the Noteholders, as applicable) to take proceedings against the Issuer in any court which may otherwise exercise jurisdiction over the Issuer or any of its assets.

## ADDITIONAL INFORMATION ON THE ISSUE OF THE NOTES

The additional information on the issue of the Notes below is an overview of certain key features of the Offering of the Notes. Any decision by an investor to invest in any Notes should be based on a consideration of this Prospectus as a whole, including the information incorporated by reference in the Prospectus. Words and Expressions in this section shall have the meaning defined in the Terms and Conditions.

Issuer:	Solteq Plc, a public limited liability company.
Risk Factors:	Investing in the Notes involves risks. The principal risk factors relating to the Issuer and the Notes are discussed in the section “Risk Factors” of this Prospectus.
Lead Manager:	Danske Bank A/S
Form of the Notes:	Securities in dematerialised, book-entry form issued in the Infinity-book-entry securities system maintained by Euroclear Finland Oy.
ISIN Code of the Notes:	FI4000442264
Depository and settlement system:	Euroclear Finland Oy, Urho Kekkosen katu 5 C, FI-00100, Helsinki, Infinity system of Euroclear Finland Oy.
Type of the Notes:	Senior unsecured notes with an aggregate principal amount of EUR 23,000,000.
Issue Price and Effective yield of the Notes:	The Issue price of the Notes is 100.00 per cent and the Effective yield is 6.00 per cent per annum.
Minimum subscription amount:	EUR 100,000.
Denomination of a book-entry unit:	EUR 20,000.
Issue date:	1 October 2020.
Redemption date:	1 October 2024.
Redemption:	At par, bullet, on the Redemption Date earlier upon an Event of Default, Illegality or Withholding Tax Event.

At 101 per cent of the Outstanding Nominal Amount together in connection with a Change of Control if requested by the Noteholders.

In addition, in accordance with Clause 9.3 (*Voluntary Total Redemption*), the Issuer may at any time voluntarily redeem the Notes. In case the date of the voluntary total redemption is before the First Call Date, the redemption price per Note equal to the sum of (i) 103.6 per cent of the Outstanding Nominal Amount (ii) the remaining interest payments to, but excluding the First Call Date. If the date of voluntary total redemption is on or after First Call Date, the redemption prices per Notes (expressed as percentages of principal amount) are in accordance with the below, plus accrued but unpaid interest to the Redemption Date.

<b>Months from the Issue Date</b>	<b>Redemption Price</b>
at least 18 but less than 24	103.6 per cent
at least 24 but less than 30	103.0 per cent
at least 30 but less than 36	102.4 per cent
at least 36 but less than 42	101.5 per cent

Covenants, mandatory repurchase and Events of Default:	at least 42 and thereafter 100.00 per cent Change of Control, non-payment, other obligations, cross default, insolvency, insolvency proceedings, mergers and demergers, creditors' process, impossibility or illegality, continuation of the business, distributions, nature of business, authorisations, compliance with laws, financial indebtedness, dealings with related parties, disposal of assets, negative pledge, listing of the notes and intellectual property.
Interest:	The Notes bear interest at the fixed rate of 6.00 per cent per annum.  Interest shall be payable annually commencing on 1 October 2021 and thereafter on each 1 October (each and " <b>Interest Payment Date</b> "), until the Redemption Date, being 1 October 2024.  Interest shall accrue for each interest period from and including the first day of the interest period to and excluding the last day of the interest period.
Ranking of the Notes:	The Notes constitute direct, unconditional, unsubordinated, unguaranteed and unsecured obligations of the Issuer ranking <i>pari passu</i> among themselves and at least <i>pari passu</i> with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by mandatory provisions of law.  The Notes are unsecured and unguaranteed debt obligations of the Issuer. In the event of an insolvency of the Issuer, the Noteholders would be unsecured creditors and claims under the Notes would rank junior to claims under the Issuer's secured indebtedness. The Issuer has given floating charge security as collateral to the customary bank guarantees used in connection with rental agreements as well as to the standby credit limit of EUR 4 million and a credit limit of EUR 2 million, both of which were unused at the end of the financial period ending 30 June 2020.
Issuing Agent and Paying Agent:	Danske Bank A/S, Finland Branch
Publication date and investors:	The result of the Offering was announced on 24 September 2020 and the Notes were mainly allocated to institutional investors.
Applicable law:	Finnish law.
Description of restrictions on free transferability of the Notes:	Each Note will be freely transferable after it has been registered into the respective book-entry account.
Listing:	Application has been made to have the Notes listed on Nasdaq Helsinki Ltd. The Notes are expected to be listed on the Helsinki Stock Exchange on or about 5 October 2020.
Interests of the participants of the Offering:	Interests of the Lead Manager: business interest normal in the financial markets. The Lead Manager will be paid a fee by the Issuer in respect of the offering and issue of the Notes. The Lead Manager also acts as a working capital lender to the Issuer.
Estimated net amount of the proceeds:	The aggregate net proceeds to the Issuer from the Offering, after deduction of the fees and expenses payable by the Issuer, were approximately EUR 22.65 million.
Estimated expenses related to the Offering:	The fees and expenses incurred in connection with the Offering and payable by the Issuer amounted in aggregate to an estimated EUR 0.35 million.

Date of the entry of the Notes to the book-entry system: Notes subscribed and paid for have been entered by the Issuing Agent to the respective book-entry accounts of the subscribers on 1 October 2020 in accordance with the Finnish legislation governing book-entry system and book-entry accounts as well as regulations and decisions of Euroclear Finland Oy.

Reason for the issue: The Issuer's reason for the issuance of the Notes is to use the net proceeds for redemption of the outstanding EUR 24,500,000 senior unsecured fixed rate notes and general corporate purposes.

## BUSINESS OF SOLTEQ

### Overview

Solteq is a Nordic provider of IT services and software solutions specialising in the digitalisation of business and industry-specific software. The key sectors in which the company has long term experience include retail, wholesale, manufacturing, utilities and services. Solteq operates mainly in the Nordic region and it continues to implement its strategy to grow and develop in order to expand its operations further. In 2019 Solteq employed approximately 600 professionals and it has 14 offices in total in Finland, Denmark, Sweden, Norway, Poland and the United Kingdom. Solteq has a strong position in digital commerce solutions, online services, and cloud-based software products through 37 years of in-depth expertise from selected industries combined with comprehensive IT expert services, own software development and Software as a Service (“SaaS”) delivery models. Key industries where the Company operates are retail, wholesale, manufacturing, utilities and services. According to Article 2 of its Articles of Association, the Company’s line of business is to develop, sell, consult, import, produce and rent information technology services, software and related machines as well as other business related to the aforesaid. The company can own and occupy real property, shares and securities.

As of the beginning of 2020, Solteq’s business segments have been divided into two main segments, Solteq Software and Solteq Digital, to create a better match with the Group’s business structure and revenue sources and to promote business growth, particularly in international markets. Solteq Software is based on the Company’s own products and Solteq Digital comprises IT expert services based on client products (*i.e.*, consulting, the implementation of customer systems as projects, continuous development services and maintenance).

For the six months ended 30 June 2020, Solteq’s revenue was EUR 30.8 million (EUR 29.6 million in H1 2019) with EBITDA of EUR 4.6 million (EUR 4.0 million in H1 2019) and comparable EBITDA of EUR 4.8 million. For the six months ended 30 June 2020, Solteq’s comparable operating profit was EUR 2.4 million and the reported operating profit was EUR 2.2 million (EUR 2.1 million in H1 2019). During the six months ended 30 June 2020, approximately 1/5 of Solteq’s sales derived from outside of Finland.

In 2019, Solteq’s revenue was EUR 58.3 million (EUR 56.9 million in 2018) with EBITDA of EUR 9.7 million (EUR 4.8 million in 2018). In 2019, Solteq’s comparable EBITDA was EUR 6.6 million, comparable operating profit was EUR 2.6 million (EUR 3.1 million in 2018) and the reported operating profit was EUR 5.7 million (EUR 2.5 million in 2018). In 2019, approximately 1/5 of Solteq’s sales derived from outside of Finland.

### History

Solteq has grown from a local IT company into a publicly listed company. The Company was established in 1982. In 1999 the Company (then Tiedonhallinta Oy) was listed on the New Markets list of the Helsinki Stock Exchange and the Company’s name was changed to Solteq Plc in 2000. Since its listing, Solteq has carried out numerous acquisitions and expanded its operations to the current services offering. Principally the companies acquired by the Company have been merged with Solteq’s business operations or they are operating as subsidiaries of the Issuer or the Group companies, such as:

- Acquisition of Descom Group in July 2015 to expand the Company’s offering into digital commerce and customer experience.
- Acquisition of Aponsa AB in October 2016 to accelerate the Company’s growth in the Nordics.
- Acquisition of InPulse in June 2017 to expand the Company’s industry coverage and build on Analytics capabilities.
- Acquisition of a majority stake in Analyteq Oy in February 2017 for the Company to gain supply chain and optimisation capabilities.
- Acquisition of TM United in December 2017 to continue the Company’s internationalisation to Denmark, Norway and UK.

- Acquisition of certain experts and customers mainly located in Denmark from ProInfo A/S in June 2018 to strengthen the Company's Nordic LS Retail and Dynamics NAV competencies and to expand its clientele.
- Divestment of Mainiot Software Oy in February 2016, Microsoft AX business in June 2017 and SAP ERP business in December 2019 in order for the Company to focus its business portfolio.

## Strategy and growth

Solteq has an experienced management team with a proven track record of strategy implementation and facilitating profitable growth. Solteq's business is divided to the two segments, Solteq Software and Solteq Digital. Segments are based on their revenue models and earning logic.

Solteq Software includes businesses based on the Company's own products. The segment's revenue is mainly derived from license, maintenance and SaaS fees for Solteq's products, and the related services such as integrations and implementation projects. Solteq Software represents approximately 1/3 of the Company's revenue and personnel.

Solteq Digital includes businesses based on IT expert services provided in connection to the third-party products. The segment's revenue is mainly derived from hour-based service fees generated, inter alia, from consulting, the implementation of customer systems as projects, continuous development services and maintenance. Solteq Digital represents approximately 2/3 of the Company's revenue and personnel.

Solteq aims to achieve profitable growth in both business segments. A key factor for the growth is to succeed in business expansion outside Finland and to gain modest growth in Finland. Solteq Software (product business) targets clearly a higher annual growth rate than Solteq Digital (service business), see also "*Business of Solteq – Long-term financial targets*".

Solteq's key industry sectors are retail and wholesale, which currently account for over half of the company's revenue. Other significant industries are utilities, manufacturing and services sectors.

Solteq Software will seek growth from cloud-based POS systems, customer management and service software for utilities sector, and autonomous robotics. Solteq Digital's key growth areas are B2C and B2B digital commerce solutions, information management and analysis, and business operational solutions.

## Long-term financial targets

*The statements set forth in this section include forward-looking statements, are not guarantees of Company's financial performance in the future and are based on a number of assumptions and expectations that are subject to various risks and uncertainties. The Company's actual results of operations and financial condition could differ materially from those expressed or implied by these forward-looking statements as a result of many factors, including, but not limited to, those described in "Forward-looking Statements" and "Risk Factors". Undue reliance should not be placed on these forward-looking statements.*

The following table sets out the long-term financial targets of Solteq Software and Solteq Digital:

Segment	Key figure	Goal
Solteq Software	Minimum average annual growth in revenue	20 per cent
Solteq Software	Minimum EBIT	25 per cent
Solteq Digital	Minimum average annual growth in revenue	5 per cent
Solteq Digital	Minimum EBIT	8 per cent

## Internationalisation

In the past three years Solteq has expanded into Nordic countries (*i.e.*, Denmark, Sweden, Norway and United Kingdom). Solteq will strive to continue to expand within these markets. Internationalisation has been achieved by strategic acquisitions which enable future organic and inorganic growth. Business outside of Finland has annually grown clearly and in 2019 the growth was 26 per cent. The Company expects strong growth to continue in businesses outside of Finland. The growth is based on the current service and product offering portfolio.

As Solteq's international operations expand, the Company will continue to exploit and develop selected operations from the centre of excellence in Poland. Poland office has tripled the number of experts during the past three years totalling over 60 experts in the end of 2019.

### ***Competitive advantage***

Solteq's most significant competitive advantages are:

- In-depth industry-specific expertise that empowers the Company to deliver comprehensive services and products for selected industries.
- Power to execute enterprise size deliveries and services based on solutions like eCommerce, Business operation systems and utilities.
  - Over 100 experts in eCommerce and Business operations systems business unit and over 70 experts in Utilities business unit enabling to deliver large scale customer solutions.
- R&D which has a proven track record in successful own cloud-based software development, marketing and selling (e.g., Utilities software business growth rate was 25% in 2019, and the Company signed during H1 2020 new customer delivery contracts in the energy sector for an aggregate value of over EUR 10 million. After announcing a new customer delivery and license contract on 30 September 2020, worth over EUR 5.5 million and including options which are estimated to be worth over EUR 6 million if ordered in full, Solteq has during 2020 signed several supply and service agreements with a total worth over EUR 22 million including the options).
- Own software portfolio based on selected industries generating approximately 1/3 of the Company's overall revenue.

### ***M&A Activities***

Solteq will develop their services and geographical coverage through corporate restructuring in view of their strategy. Solteq sees company mergers and acquisitions as a tool that enables them to serve their international customers in different geographies, to expand their solution offering with required or new urgently needed competencies, and to improve their geographical service performance.

Solteq will carefully consider the cultural and functional compatibility of possible M&A targets with Solteq and Solteq's operations. Solteq's intention is to continue to ensure that mergers complement its business operations in a seamless manner.

### ***Solteq's expertise is in its people***

The core of Solteq's strategy, being a visionary expert in digitalisation of businesses and industry-specific software, is based on the skills and competencies of Solteq's experts. As the world and Solteq's product portfolio develop, Solteq intends to maintain the competencies of their experts at the top level to ensure that they will hold their lead over their competitors or even grow it. Therefore, Solteq will continue to invest in personnel and their skills and execute required talent requirements.

### ***Markets and customers***

In the market in which Solteq operates, the customer organisations have embraced emerging technologies to become more cost-efficient and relevant in a digitally transformed global economy. Now these customers are facing the next challenges in the digital disruptions and transformation such as scaling the digital solutions and innovating and reinventing the business models. Solteq recognises these megatrends and estimates that it is well positioned to benefit from the change driven by digital disruption.

Solteq has more than 1,000 customer accounts and services a broad selection of customers from small and medium to large size enterprises. Solteq operates within the retail, services, manufacturing, utilities and wholesale customer segments. Within the top-10 customers, Solteq's customer concentration is relatively moderate, and these customers accounted for slightly over one third (1/3) of the Group's revenue for the six months ended 30 June 2020 and in 2019. For the six months ended 30 June 2020 and for the year ended 31

December 2019, approximately 20 percent and 21 per cent, respectively, of Solteq's revenue derived from outside of Finland.

Solteq primarily operates with selected solutions in chosen sectors of the Nordic IT services and software market. The market offers an opportunity for positive business development although it is overshadowed by uncertainty caused by the COVID-19 pandemic and of predicted 5.0 per cent drop down in the European IT markets in 2020 (source: Statista Technology Market Outlook). The COVID-19 pandemic is expected to have an impact on the market throughout the year and possibly beyond. Negative effects are estimated to be felt particularly owing to delayed projects and falling contract volumes within the travel, restaurant and leisure industries. At the same time, the COVID-19 pandemic is accelerating the digital transition and the change in companies' operating environments. This is estimated to speed up demand for, among other things, digital expert services and solutions, such as eCommerce solutions and software products. Customers' investments are estimated to be focused on new digital services, securing business continuity, and optimising costs.

Due to the COVID-19 pandemic European IT market is expected to decline by 5 per cent in 2020 and return to growth of 7 per cent in 2021, implying a climb back above 2019 levels already then (sources: Statista Technology Market Outlook<sup>1</sup>, Goldman Sachs Global Investment Research<sup>2</sup>). As regards the Finnish IT market and its development, the growth in computer programming, consultancy and related activities' in 1-6/2020 was -0.7 per cent whereas 'information services activities' grew at a rate of +3.9 per cent. This indicates that the negative impact of COVID-19 has been less severe than seen in certain other sectors (source: Statistics Finland<sup>3</sup>). Solteq considers its offering and capabilities to be well aligned with most growing IT spend market segments for the upcoming years.

In addition, the Company continues to invest in its own product development, in which the main investments have been made into autonomous robotics such as Solteq Retail Robot. By 2025, autonomous robots will be used in 60 per cent of retail superstores in the U.S., up from less than 1 per cent now. Demand for autonomous robotics solutions will be accelerated by clear and verifiable benefits, such as more efficient shop operations and a better cost structure (source: Gartner, Autonomous Things Ecosystems Open Opportunities for IT Services Providers in Retail, 2020<sup>4</sup>).

Solteq offers industry-specific solutions for trade, manufacturing industry, car retail, the energy industry, the hotel and restaurant business and the public sector. Solteq believes that the demand continues to grow in these sectors for solutions that digitalise core operations and make use of artificial intelligence, data, automation and seamless multichannel systems. Demand is being further increased by statutory obligations to renew data systems, for example in the energy sector and water resources management. Solteq considers that it has a significant competitive advantage based on long-term experience of sector-specific needs.

Demand for autonomous robotics and cloud services is expected to continue growing rapidly around the world. Solteq is a trailblazer in autonomous robotics and cloud-based POS solutions in Europe. Solteq expects to achieve international success over the next few years with Solteq Retail Robot and the modern, cloud-based Solteq Cloud POS solution, both launched in 2019.

Solutions employing autonomous robotics are also expected to become more common in the construction industry. Solteq has joined forces with KONE Corporation and Lassila & Tikanoja Plc to form the Intelligent Sustainable Urban Flows consortium, which is developing more intelligent and automated logistics for large real estate. The project creates synergy benefits for the companies' product development and supports the companies' efforts to reach international markets with their innovations. Business Finland granted Solteq support totalling EUR 0.8 million in July 2020 for the two-year project.

Solteq has been consistently building its market position as a provider of comprehensive solutions and services. On the other hand, continuous development of customer needs requires investments in Solteq's own product development and new technologies, especially within cloud services and analytics. In addition, IT sector players are expected to provide more agile and scalable delivery models. Solteq meets the expectations

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<sup>1</sup> August 2020

<sup>2</sup> 22 May 2020

<sup>3</sup> August 2020

<sup>4</sup> 22 April 2020

with its organisation utilising agile methods and by focusing on providing services according to the as-a-Service (aaS) model.

The digital expert services and software products provided by Solteq comprehensively cover developments that are expected to emerge in the future. These include intelligent use of data in business processes, the mainstreaming of cloud technologies, and digital services based on user and customer experiences. The digital reality is affecting everyone. Keeping up with the latest developments is therefore on the current and future agenda of companies of different sizes and in various sectors.

## **Business segments**

### Overview

Solteq sells and delivers projects and IT services and its own proprietary software products and related services. In addition, Solteq resells third party software products of its key technology partners as a part of their solution offering.

Until the end of 2019, the Group's business has been presented as a single segment. In 2020, Solteq divided its business operations into two (2) business segments, Solteq Software and Solteq Digital. The new structure divides Solteq's business areas into distinct reportable segments, in accordance with the segments' revenue models. These new business segments correspond better to Solteq's business structure and revenue sources, and promote business growth particularly in international markets. Solteq's key sectors are retail and services which accounted for over 60 per cent of the Group's revenue in 2019. Other significant sectors where Solteq operates in are manufacturing, utilities and wholesale sectors.

### Solteq Software

Solteq Software consists of Solteq's own industry-specific cloud-based software products based on Solteq's own intellectual property rights and related services. The business segment's revenue is mainly derived from recurring license and maintenance fees for Solteq's products and the related services such as integrations and implementation projects. The product and services offering of Solteq Software consists of, among others, Solteq Utilities platforms for customer service and billing with end user online services, Solteq Robotics with focus on autonomous robotics, AI and machine learning, Point-Of-Sale ("**POS**") platforms with cloud-based software products and related services, as well as industry specific solutions and related services for wholesale, vehicle sales and dental care. The key industries include utilities (electricity, gas and water), retail, hospitality and public sector, car dealers and dental care. The main geographical markets include Finland, Sweden and Denmark. Approximately 1/3 of Solteq's employees worked within and approximately 1/3 of Solteq's revenue in 2019 derived from Solteq Software business segment.

The share of recurring revenue during the first six months of 2020 accounted for around 30 per cent of the segment's revenue. The Company's target is to increase recurring revenue to account for more than 50 per cent of the segment's revenue in three years.

### Solteq Digital

Solteq Digital consists of professional services to support Solteq's customers in implementing solutions and processes based on leading third-party partners' software products (e.g., Microsoft) to address current megatrends for large and medium-sized companies. The business segment mainly comprises IT expert services. Solteq provides professional services and industry leading technology solutions to cover all digital commerce requirements, comprehensive professional services and data driven solutions to manage and analyse business critical operations, and dynamic and flexible business specific solutions to manage functions such as production, distribution, inventory control, invoicing and accounting. Main technology partner solutions are MS business central (NAV) / LS Retail, HCL commerce, SAP commerce, Magneto, Informatica and InRiver. The key industries include retail, wholesale, manufacturing, hospitality and public sector. The main geographical markets include Finland, Sweden, Norway, Denmark and the United Kingdom. Approximately 2/3 of Solteq's employees worked within and approximately 2/3 of Solteq's revenue in 2019 derived from Solteq Digital business segment.

## Collaboration partners

Solteq has built strong relationships with its key collaboration partners and invests in maintaining and enhancing these relationships continually. Especially Solteq Digital is based on implementing, consulting, and maintaining as well as license sale of third-party partner software and platforms. Also, Solteq's own software products may, in some cases, include third party software, that has been licensed under collaboration agreements and incorporated as part of Solteq's own products.

Solteq's collaboration agreements with third-party software providers are typically renewed annually, including the partner program level. Solteq actively manages its partner portfolio in order to meet the current and upcoming needs of customers.

During the first half of 2020, Solteq agreed on a two-year collaboration with Kone Corporation and Lassila & Tikanoja Plc to form the Intelligent Sustainable Urban Flows consortium, which develops more intelligent and automated logistics for large real estate. The collaboration project creates synergy benefits for the companies' product development and supports the companies' efforts to reach international markets with their innovations.

## Intellectual property

Solteq aims to protect all material intellectual property rights that are important to its operations. Intellectual property rights protect Solteq's products and services and ensure that Solteq has the possibility to market, sell and develop them. Ownership of intellectual property rights enables Solteq to re-use software assets to enable profitable business and new kinds of business models based on asset and intellectual property rights licensing.

In general, Solteq retains the intellectual property rights to its own products and services, including solutions created in customer assignments, and grants licenses to its customers to use them. Solteq also enters into licensing agreements for the right to use components manufactured by third parties or other third-party intellectual property. In its licensing agreements, Solteq may offer indemnities to customers against liability and damages arising from third-party claims of patent, copyright, trademark or trade secret infringement concerning Solteq's own intellectual property or software or other solutions developed for Solteq's customers. Solteq may also demand indemnities from other parties concerning Solteq's own intellectual property as well as potential claims against Solteq for alleged infringements.

## Balance sheet and financing

Total assets of the Company amounted to EUR 77.3 million for the six months ended 30 June 2020 compared to EUR 75.6 million for the six months ended 30 June 2019. Liquid assets of the Company totalled EUR 7.8 million for the six months ended 30 June 2020 compared to EUR 4.4 million for the six months ended 30 June 2019. The Company has a standby credit limit of EUR 4.0 million and a bank account credit limit of EUR 2.0 million, both of which were unused as at 30 June 2020. Furthermore, the Company product development loan granted by Business Finland product amounted to EUR 1.2 million as at 30 June 2020.

Total assets of the Company amounted to EUR 77.0 million in 2019 compared to EUR 67.9 million in 2018. Liquid assets of the Company totalled EUR 3.6 million in 2019 compared to EUR 5.3 million in 2018. The Company has had a standby credit limit of EUR 4.0 million of which EUR 2.0 million was in use at the end of 2019 and 2018. In addition, the Company has had a bank account credit limit of EUR 2.0 million which remained unused in the end of the financial periods 2019 and 2018. Furthermore, the Company product development loan granted by Business Finland product amounted to EUR 1.2 million in the end of the financial period 2019.

The Group's interest-bearing liabilities were EUR 33.5 million and EUR 34.5 million as at 30 June 2020 and 2019, respectively. The Group's interest-bearing liabilities were EUR 35.2 million and EUR 28.3 million as at 31 December 2019 and 2018, respectively. The financial covenants of the Company's standby and bank account credit limits are aligned with the financial covenants of the Existing Bond (as defined below), and will be aligned with the financial covenants of the Notes in connection with issuance of the Notes.

For the six months ended 30 June 2020, the Group's equity ratio was 33.1 per cent compared to 30.3 for the six months ended 30 June 2019. In 2019, the Group's equity ratio was 32.0 per cent compared to 32.4 per cent in 2018. The Group's equity ratio without the implementation of IFRS 16 (*Leases*) standard would have been 34.6 per cent.

On 1 July 2015, the Company issued an unsecured bond of EUR 27,000,000 senior unsecured fixed rate notes, as amended and restated on 24 September 2015, 31 July 2018 and 18 May 2020 (the “**Existing Bond**”) The Existing Bond carries a fixed annual interest of 6.0 per cent and its maturity was initially five years. To reduce the Company’s interest costs, the Company repurchased and cancelled the share of EUR 2.5 million of the above-mentioned Existing Bond during 2016. The financial covenants concerning the distribution of funds and incurring financial indebtedness other than permitted in the terms of the Existing Bond (*i.e.*, Incurrence Covenant) require that at any agreed review date, the Equity Ratio exceeds 27.5 per cent, the Interest Coverage ratio (EBITDA / net interest costs) exceeds 3.00:1 and that the Group’s Net Interest Bearing Debt to EBITDA (each term as defined in the terms and conditions of the Existing Bond) ratio (each term as defined in the terms and conditions of the Existing Bond) does not exceed 3.50:1.

On 21 April 2020, the Company initiated a written procedure concerning a change in the terms of the Existing Bond (with maturity date 1 July 2020), requesting that the maturity date be extended by 12 months. Amendment of the terms was accepted by means of a written procedure on 18 May 2020. The Company’s bond liability is EUR 24.5 million.

The prerequisite of going concern principle was to rearrange financing before the original maturity date of the Existing Bond. The procedure ended successfully. Owing to the prevailing financial market situation, the Company considered it prudent to request a 12-month extension to the maturity date. The Company’s EUR 24.5 million bond will mature on 1 July 2021.

The interim report for the six months ended 30 June 2020 was drawn up under the going concern principle, taking account of the financial restructuring either already carried out or pending. As at 30 June 2020, the maturity of the Existing Bond had been extended for 12 months to 1 July 2021, and the Company has actively monitored the development of capital markets and continued preparations for executing the redemption of the Existing Bond in connection with the issue of the Notes.

## **Investments, research and development**

The net investments were EUR 3.8 million for the six months ended 30 June 2020 compared to EUR 2.7 million for the six months ended 30 June 2019. During the six months ended 30 June 2020 EUR 1.8 million of the net investments were capitalised development costs relating to continued further development of the existing software products and the development of new software products compared to EUR 2.1 million for the six months ended 30 June 2019. Other investments were EUR 2.0 million for the six months ended 30 June 2020 compared to EUR 0.6 million for the six months ended 30 June 2019. Out of the other investments, EUR 1.7 million were related to the net change in rented premises and equipment.

The net investments were EUR 4.6 million in 2019 compared to EUR 8.3 million in 2018. In 2019 EUR 3.9 million of the net investments were capitalised development costs relating to continued further development of the existing software products and the development of new software products compared to EUR 2.3 million in 2018. Other investments were EUR 2.2 million in 2019 compared to EUR 1.5 million in 2018. The sale of SAP ERP business in the end of 2019 had a negative impact of EUR 1.5 million to the net investments. Out of the net investments of 2018, EUR 4.5 million were related to the executed business acquisition of ProInfo A/S.

Between 2017 and 2019, three key development projects accounted for a major share of the Group’s total capitalised development costs of approximately EUR 6 million. In 2019, Solteq’s investments in the development of its own software development products and services amounted to EUR 3.9 million. The product development focused on utilities solutions, Point-of-Sale software and autonomous robotics. For example, during 2019 Solteq launched the first customer deliveries of the new Point-of-Sale solution and within autonomous robotics Solteq tested Solteq Retail Robot in a real store environment with S Group. In December 2019, the Solteq Retail Robot was chosen as the best potential innovation in the Quality Innovation Award competition. In 2020, Solteq continues investing in and developing its international business operations and its own cloud-based software products and services as well as investing in certain of its third party platform products. For the six months ended 30 June 2020, the product development investments amounted to EUR 1.8 million compared to EUR 2.1 million for the six months ended 30 June 2019. Related to the autonomous robotics business area, Solteq has formed a consortium with KONE Corporation and Lassila & Tikanoja Plc. Solteq’s total investment during the course of the project in 2020–2022 is expected to be EUR 2.0 million, out of which 40 per cent (up to EUR 0.8 million) will be covered by a grant from Business Finland.

## Competition

According to Solteq's management, Solteq's main competitors are large IT houses (e.g., Accenture, CGI, Fujitsu and Tieto) and smaller specialised IT service and software houses (e.g., Digia, Jeemly, Innofactor and Empower). Solteq aims to differentiate itself from its most significant competitors by its own vertical software solutions and IT expert services combined with industry leading technologies, industry specific expertise, comprehensive solutions as well as with Nordic and flexible organisation. Solteq's weaknesses include, among others, a limited service offering outside of selected industries.

## Resilience against the impact of COVID-19 pandemic; key uncertainties

The Company has been closely following and assessing the impact of the COVID-19 pandemic on its business. So far, the COVID-19 pandemic has had no negative effects on the Company on the whole. The good performance in for the six months ended 30 June 2020 was based on orders secured during the year before and the capability to deliver in key business areas. Growth was also driven by successful sales efforts in the first half of 2020. Significant new customer projects, especially in the energy sector, balanced lower sales in the travel, restaurant and leisure sectors that were affected by the COVID-19 pandemic. Good performance during the three months ended 30 June 2020 was also improved by the streamlining measures taken earlier in 2020 and the resulting cost savings.

The Company has performed well in a challenging and unpredictable market situation. The organisation's operational capacity and the safety of its stakeholders were ensured by measures adopted in the early stages of the COVID-19 pandemic. The business outlook and profitability are expected to remain favorable. Nevertheless, the direct and indirect impact of the COVID-19 pandemic on the Company's business and financial position represent material uncertainties and near-term risks to the Company. While the Company's operations are on a solid foundation and based on the view of Solteq's management, the Company has the capacity to overcome the COVID-19 pandemic's negative impacts on its business operations, the COVID-19 pandemic includes risks as discussed under section "*Risk Factors – Risks relating to Solteq's Business Operations – COVID-19 may have a material adverse effect on the business operations of Solteq*".

Other key uncertainties and risks are related to the management of changes in financing and balance sheet structures, the timing and pricing of business deals that are the basis for revenue, changes in the level of costs, developing the Company's own products and their commercialisation, and the Company's ability to manage extensive customer contracts and deliveries.

## Sustainability and corporate responsibility

Solteq's goal is to promote digitalisation responsibly. The Company's ethical values are presented in its Code of Conduct which is based on the Company's operating principles concerning anti-bribery and corruption, human resource management, sustainable development, environmental responsibility, information security and data protection. In addition to the Company's internal guidelines, its operations are guided by local legislation, regulations and instructions issued by authorities and international principles governing ethical business, human rights and social responsibility.

## Governance

Corporate responsibility issues are regularly discussed by Solteq's Executive Team and Board of Directors. The CEO is responsible for reporting on corporate responsibility. The Company does not have a Head of Sustainability but instead, the tasks are divided between the Company's human resources department, which reports to the CEO, and IT department, which reports to the CFO.

Solteq does not condone bribery or corruption in any form. In all of its operations, the Company requires compliance with anti-bribery principles as well as the principles of business transparency. The Company's employees have undergone an anti-corruption training and the Company has an anti-bribery and corruption policy which complements the Company's Code of Conduct and includes comprehensive guidelines concerning anti-bribery and corruption activities. In addition, the Company has established an internal whistleblowing channel to enable the anonymous reporting of suspected misconduct.

For further information on the Company's governance, see also "*Board of Directors, Management and Auditors*".

## Environmental

Solteq takes environmental aspects into consideration in all of its operations and promotes sustainable choices. Solteq's policy of sustainable development and environmental responsibility guides its operations to take into account the environmental aspects. The Company's environmental impacts mainly arise from the energy consumption of its office premises and data centers.

According to Statistics Finland, the ICT industry, in which Solteq operates in, generates relatively low greenhouse gas emissions. However, a significant proportion of the industry's environmental impacts arises from hardware manufacturing.<sup>5</sup> The Company takes this into account by considering the energy efficiency, life cycle and reliability of the hardware it purchases. The Company purchases network and information system hardware and phones mainly from well-known and certified suppliers. Solteq aims to support sustainable principles by conducting dialogues with various equipment suppliers.

Solteq strives to reduce the environmental impact of its business premises and the equipment it uses as well as increase the recycling of the materials it uses. Once the equipment the Company uses has reached the end of its life cycle, it is collected in order for it to be refurbished or recycled and used as raw material for electronics. The Company recycles 100 percent of the computers and related accessories it uses. The Company favours energy-efficient and healthy environments as its business premises. The Company's head office was built in accordance with the LEED environmental certification system and Green Building standards. Majority of the Company's offices are furnished with ISO 14001 certified furniture intended to withstand extensive long-term use. The equivalent certification level was followed in the Solteq Showroom in the Aviabulevardi II, which opened in 2019.

The Company's staff is recommended to use sustainable alternatives when it comes to commuting. The staff is encouraged to use active commuting options or public, environmentally friendly means of transport, such as trains. The Company aims to reduce the need for commuting and work-related travel with its centrally located offices, the use of communication technology and opportunities to work remotely. The Company subsidises public transportation tickets for Solteq employees within the Helsinki metropolitan area. In addition, the Company offers immediately available train tickets for work-related traveling.

No significant environmental risks have been identified in relation to the Company's business. Therefore, the Company does not engage in active risk management as regards to environmental issues. The Company's primary non-material climate change risk relates to operations of general infrastructure.

## Social

The Company respects internationally recognised human rights and workers' rights and maintains a safe and healthy work environment for all of its employees. There have not been any occupational accidents in the Company's history. Although the risk of accidents in the industry in which the Company operates in is deemed very low, the Company has policies relating to managing employee and social matters such as a human resource management and development policy and an occupational health and safety management policy.

In the Company's view, there are no significant risks of human rights infringements associated with its operations. Possible risks of human rights infringements are related to the supply chains of the Company. The Company manages this risk by choosing the associates it works with carefully and by obligating these associates to commit to the Company's Supplier Code of Conduct or to other equivalent principles of responsible practice.

The Company is engaged in various projects relating to community orientation and social engagement. The Company cooperates with universities to ensure a smooth transition to working life for university students. The Company seeks to inspire schoolchildren and young people to pursue careers in ICT by participating in a program of the Technology Industries of Finland, the lobbying organisation for technology industry companies in Finland, called My Tech. The Company also participates in charity campaigns, such as blood donation events.

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<sup>5</sup> Source: [http://pxnet2.stat.fi/PXWeb/pxweb/en/StatFin/StatFin\\_\\_ymp\\_\\_tilma/statfin\\_tilma\\_pxt\\_11ig.px/table/tableViewLayout1/](http://pxnet2.stat.fi/PXWeb/pxweb/en/StatFin/StatFin__ymp__tilma/statfin_tilma_pxt_11ig.px/table/tableViewLayout1/).

## Legal structure of the Group

The Issuer is the parent company of the Group which, as at the date of this Prospectus, consists of several Finnish and foreign subsidiaries. The Issuer and its subsidiaries operate as a group and therefore rely on other group companies and certain shared services in their business operations.

The following table sets forth Solteq's group structure including subsidiaries that the Issuer owns, directly or indirectly, as at the date of this Prospectus:

	Country	Share of votes (per cent)
Solteq Plc		
Aponsa AB	Sweden	100
Solteq Sweden AB	Sweden	100
Solteq Poland Sp. z.o.o.	Poland	100
Solteq Denmark A/S <sup>(1)</sup>	Denmark	100
Solteq Norway AS	Norway	100
Theilgaard Mortensen Sverige AB	Sweden	100
Solteq Digital UK Ltd <sup>(2)</sup>	The United Kingdom	100

<sup>1)</sup> Solteq Denmark A/S, formerly Theilgaard Mortensen A/S, has an office in Spain, Theilgaard Mortensen A/S Oficina De Representacion (company's change of name from Theilgaard Mortensen A/S to Solteq Denmark A/S has not yet been registered to local trade register to reflect change of the company's name).

<sup>2)</sup> Solteq Digital UK Limited has been in direct ownership of the Issuer as of January 2019. Previously, Solteq Digital UK Limited was a subsidiary owned by Solteq Denmark A/S.

During the period between 2015 and 2020, Solteq has completed the following 6 corporate acquisitions:

Acquired company (entity name at the time of the acquisition)	Acquisition completed	Country	Shares (per cent)
Descom Group Oy <sup>(1)</sup>	July 2015	Finland	100
Aponsa AB <sup>(2)</sup>	Oct 2016	Sweden	100
Pardco Group Oy <sup>(3)</sup>	Dec 2016	Finland	100
Analyteq Oy <sup>(4)</sup>	Feb 2017 and Dec 2018	Finland	100
inPulse Works Oy <sup>(5)</sup>	June 2017	Finland	100
TM United A/S <sup>(6)</sup>	Dec 2017	Denmark	100

<sup>1)</sup> Solteq acquired Descom Group Oy (except for Data Center Solutions business) to expand its service offering into digital commerce and customer experience. The cash contribution of the purchase price of Descom Group Oy and the purchase of the capital loans were financed with the Existing Bond. Descom Group Oy was subsequently merged with the Issuer in 2016.

<sup>2)</sup> Solteq acquired Aponsa AB to accelerate growth in the Nordics.

<sup>3)</sup> Solteq acquired Pardco Group Oy to increase the coverage of its digital commerce solutions offering. Pardco Group Oy was merged with the Issuer in September 2017.

<sup>4)</sup> Solteq acquired 51 per cent of the shares in Analyteq Oy in February 2017 to gain analytic capabilities. Analyteq Oy was a company into which Tuko Logistics Osk corporatised their business focused on store and stock replenishment services. The remaining 49 per cent of the shares in Analyteq Oy were acquired by the Issuer in December 2018 after which Analyteq Oy merged with the Issuer in July 2019.

<sup>5)</sup> Solteq acquired inPulse Works Oy to expand industry coverage and build on analytics capabilities. inPulse Works Oy was merged with the Issuer in January 2018.

<sup>6)</sup> Solteq acquired TM United A/S to continue its internationalisation. TM United A/S, TM Care and Solteq Denmark Asp merged with Theilgaard Mortensen A/S in 2018. Subsequently, Theilgaard Mortensen A/S changed its name to Solteq Denmark A/S. In addition, Theilgaard Mortensen Norge AS was renamed to Solteq Norway AS and Theilgaard Mortensen UK Limited was renamed to Solteq Digital UK Limited.

In addition, Solteq (i) acquired certain LS Retail and Dynamics NAV competencies and customers from ProInfo A/S in June 2018 to accelerate its growth in the Danish market and in the Nordics; (ii) divested Mainiot Software Oy in 2016 to the IFS Group to focus more on its strategic areas within digital commerce; (iii) sold its Microsoft AX business in June 2017 to focus its services portfolio; and (iv) sold its SAP ERP business to Enfo Oyj in December 2019 to focus even more on the development of its own software products and on expert services based on selected customer products (in 2019 Solteq's SAP ERP business sales were approximately EUR 4 million).

## Legal and regulatory proceedings

Solteq and any of the Group companies may become involved from time to time in various claims and legal proceeding and proceedings initiated by public authorities arising in the ordinary course of business, including

but not limited to, employee claims, contractual disputes, customers and competitors, and health and safety matters. The Issuer or any of the Group companies do not have pending governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had in the past 12 months, a significant effect on the financial position or profitability of the Issuer or its subsidiaries, as a whole.

**No material agreements**

There are no contracts (other than contracts entered into or in the ordinary course of business) that have been entered into by the Issuer or any Group company that are, or may be, material or which contain any provision under which the Issuer or any Group company has any obligation or entitlement that is material to the Issuer's ability to fulfil its obligations under the Notes.

## SUMMARY OF THE RECENT DISCLOSURES

*The following is a summary of such information disclosed by the Issuer pursuant to the Market Abuse Regulation (EU) 596/2014 (“MAR”) over the last 12 months preceding the date of this Prospectus, which is to the Issuer’s knowledge still relevant as at the date of this Prospectus. In addition to information published pursuant to MAR, the Issuer has disclosed annual and interim reports, notifications of change in major ownership, as well as notifications and information published due to Finnish Securities Markets Act, the rules of Nasdaq Helsinki and press releases.*

*This summary excludes discussion regarding periodic financial reporting and other disclosure obligations, which do not pertain to the MAR or the rules of Helsinki Stock Exchange. Thus, the summary is not exhaustive, as it does not discuss all stock exchange releases issued by Solteq Plc during the above-mentioned time period.*

### **Business Reorganisations**

#### ***Selling of the Company’s SAP ERP Business***

On 30 December 2019, Solteq announced that it had signed a business transfer agreement, whereby the Company’s SAP enterprise resource planning software (“**SAP ERP**”) business, including its current employees and customers, would be transferred to Enfo Oyj (“**Enfo**”) on 1 January 2020. The debt-free purchase price of Solteq’s SAP ERP business was EUR 4.275 million, which would be paid in cash by 15 March 2020. The Company would recognise the estimated, additional one-time profit of EUR 2.3 million for the financial period ended 31 December 2019. Following the SAP ERP business transfer, Solteq would increase its focus on the development of its own software products and on expert services based on selected customer products. The 21 experts employed by SAP ERP projects would be transferred to Enfo under their existing employment terms. In 2019, Solteq’s SAP ERP business sales were EUR 4 million.

#### ***Change in Structure of Segments Subject to Reporting***

On 29 October 2019, the Company announced changes in its segment structure for the structure to better correspond with the Group’s business structure and revenue sources as well as to promote business growth particularly in international markets. As of 29 October 2019, Solteq’s business segments are Solteq Software, including businesses based on the Company’s own products, and Solteq Digital, including consulting, the implementation of customer systems as projects, continuous development services and maintenance.

Based on the former reporting structure, the Group’s business has been presented as a single segment. Solteq Software and Solteq Digital have their own revenue models. The revenue of Solteq Software is mainly derived from license and maintenance fees for Solteq’s products, and the related services, such as, integrations and implementation projects. The revenue of Solteq Digital mainly comprises IT expert services.

Solteq aims to achieve profitable growth in both business segments. Its key sectors are retail, specialist and wholesale commerce, which currently account for over half of the Company’s revenue. Other significant industries are energy and services sectors. Solteq Software would seek growth from cloud-based POS systems, energy-sector customer data and service software, and robotics. Solteq Digital would seek growth in B2C and B2B digital commerce solutions, information management and analysis as well as business operational solutions.

Solteq Software’s long-term financial goals would be to reach a minimum average annual growth in revenue and minimum EBIT (per cent) of 20 per cent and 25 per cent, respectively. Solteq Digital’s long-term financial goals would be to reach a minimum average annual growth in revenue and minimum EBIT (per cent) of 5 per cent and 8 per cent, respectively

### **Delivery and Service Agreements**

On 28 April 2020, the Company announced that it had signed delivery and service agreements with two (2) Finnish energy and industry customers on 31 March 2020 and 27 April 2020 worth approximately EUR 8 million. The agreements cover deliveries of the customer information system developed by Solteq, including related options (worth around EUR 2.1 million), and license service fees for 4–5 years.

On 30 September 2020, the Company announced that it had signed an agreement to provide a Finnish customer in the utilities sector with a comprehensive customer service system. The agreement is worth over

EUR 5.5 million and covers the delivery and related license service fees for 4 to 5 years. In addition, the agreement includes options which are estimated to be worth over EUR 6 million if ordered in full. During 2020, Solteq has signed several supply and service agreements with a total worth over EUR 22 million including the options.

### **Postponement of the Annual General Meeting of Shareholders of the Company**

On 23 March 2020, the Company announced that it cancels the Annual General Meeting of Shareholders of the Company scheduled to be held on 1 April 2020 due to the COVID-19 pandemic. The release further stated that the Company does not want to jeopardise the health of employees, shareholders and other stakeholders attending the Annual General Meeting of the Company. It was further stated that the Annual General Meeting of the Shareholders of the Company shall be held when the COVID-19 pandemic situation allows it and that a new notice of the Annual General Meeting will be issued at a later date.

On 18 May 2020, the Company announced that the Annual General Meeting of Shareholders of the Company would be held on 10 June 2020.

### **Change of Proposal for the Distribution of Dividend**

On 29 April 2020, the Company's Board of Directors decided to cancel previous proposal for the distribution of dividend due to the uncertainties caused by COVID-19 pandemic. The release further stated that the Board of Directors of the Company will propose to the Annual General Meeting of Shareholders of the Company that there will be no distribution of dividend from financial year 2019.

Previously the Board of Directors of the Company had proposed to the Annual General Meeting of Shareholders of the Company scheduled for 1 April 2020 and cancelled on 23 March 2020 that the Board of Directors of the Company would be authorised to decide, at its' discretion, on the distribution of dividend of maximum aggregate amount of EUR 965,326.35. Unless the Board of Directors of the Company would have decided otherwise, a dividend of a maximum amount of EUR 0.05 per share would have been paid to the shareholders on a date decided by the Company's Board of Directors.

### **Amendments to the Terms and Conditions of the Existing Bond**

On 6 April 2020, the Company announced that it is considering to request an amendment to the terms and conditions of its Existing Bond by way of a written procedure. Due to the social and economic disruption caused by the COVID-19 pandemic and its impact on the bond market, the Company considered it appropriate to consider initiating a written procedure to extend the term and conditions of the Existing Bond by 12 months. At the same time, the Company considered to request amendments to the terms and conditions of the Existing Bond with regard to the section on voluntary total redemption to correspond the extension of the final maturity date by 12 months as well as the definition of permitted debt to include financial indebtedness incurred for the purpose of the redemption of the Existing Bond in order to implement the future redemption of the Existing Bond flexibly.

On 21 April 2020, the Company announced a written procedure to amend the terms and conditions of the Existing Bond due to the adverse effect caused by the COVID-19 pandemic to the global economy and economic outlook. The COVID-19 pandemic had also created significant uncertainties into financial markets. As compensation for the holders of the Existing Bond to vote to approve the amendments to the terms and conditions of the Existing Bond, Solteq offered a fee of 1.0 per cent (the "Fee") for the nominal amount of the notes held by each holder of the Existing Bond. The Fee was paid to those holders of the Existing Bond from whom Nordic Trustee Oy as the bondholders' agent had received a valid voting form in favour of the amendments by the applicable deadline and subject to certain other conditions.

On 18 May 2020, the Company announced that the written procedure of the terms and conditions of the Existing Bond had been completed successfully.

### **Cancellation and release of new Profit Guidance for 2020**

On 3 April 2020, the Company announced the cancellation of its guidance for financial year 2020 due to the uncertainty on the markets caused by the COVID-19 pandemic. The release stated that the Company will provide guidance for 2020 once the conditions are more favorable for predicting market developments.

The release further stated that the Company's long-term financial goals remain unchanged and that customer deliveries have continued without interruptions in eCommerce, information management and Utilities, which are the Company's key business areas. The outlook within these business areas has remained unchanged. The above areas are estimated to account for approximately two thirds of the Company's revenue. Solteq has taken measures to reduce the financial impact of the COVID-19 pandemic, secure its employees' health and safety, and ensure that projects and services for customer companies continue without interruption.

On 13 August 2020 in connection with the release of the interim report as at and for the six months ended 30 June 2020, the Company released a new profit guidance for year 2020 according to which Solteq's comparable operating profit is expected to grow significantly.

### **Changes in Management**

On 20 August 2020, the Company announced that Ilkka Brander, member of Executive Team of Solteq Plc and EVP of Solteq Software segment had decided to leave the company in November 2020 in order to assume a new position outside Solteq.

### **Disclosure of Managers' Transactions**

Persons discharging managerial duties in Solteq have carried out transactions in the Company's securities during the last 12 months preceding the date of this Prospectus. In accordance with applicable rules, the Issuer has disclosed notifications of transactions by persons discharging managerial duties at Solteq pursuant to MAR.

## SELECTED FINANCIAL INFORMATION

### Historical Financial Information

The Issuer prepares its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS), as adopted in the European Union, and the Issuer's unaudited consolidated interim financial reports have been prepared in accordance with the "IAS 34 - *Interim Financial Reporting standard*". The Issuer's audited consolidated financial statements for the financial year ended 31 December 2019 and the Issuer's unaudited consolidated interim report for the six months ended 30 June 2020 have been incorporated in this Prospectus by reference. Save for the Issuer's audited consolidated financial statements for the financial year ended 31 December 2019, no part of this Prospectus has been audited.

### **Auditor's Report for the Financial Year Ended 31 December 2019**

There are no qualifications in the Auditor's report dated 26 February 2020 pertaining to the Issuer's audited financial statements for the financial year ended 31 December 2019. The Auditor's report for the financial year ended 31 December 2019 contains additional information, however, on material uncertainty related to going concern basis.

In the Auditor's report dated 26 February 2020, the Auditor drew attention to the accounting policies of the financial statements and section "*Going concern principle*." As at the date of the Auditor's report 26 February 2020, Solteq Group's bond totalling EUR 24.5 million with fixed interest rate was maturing in the summer of 2020. The Company initiated measures to ensure refinancing during the financial year 2019 and the refinancing was still under negotiation on 26 February 2020. The arrangement consisted of the renewal of the bond and overdraft and liquidity facilities. On 26 February 2020, the Company's management expected operations to continue with only a low risk of inadequate funding. The Auditor considered the aforementioned conditions to show such material uncertainty, which may cast significant doubt upon the Company's ability to continue as a going concern.

Furthermore, in the Auditor's report dated 26 February 2020, the Auditor drew attention to the fact that the consolidated statement of financial position includes goodwill, carried at EUR 38.8 million, and the parent company's statement of financial position includes merger losses, carried at EUR 34.1 million. The Auditor considered that there is uncertainty related to the Group's ability to continue as a going concern as described in the previous chapter, and thus, the carrying value of goodwill and merger losses may not be supported. The Auditor notes, however, that the opinion has not been qualified by this matter.

### **Consolidated statement of comprehensive income**

(EUR thousands)	<b>1-6/2020</b> (unaudited)	<b>1-6/2019</b> (unaudited)	<b>1-12/2019</b> (audited)	<b>1-12/2018</b> (audited)
<b>Revenue</b> .....	<b>30,754</b>	<b>29,590</b>	<b>58,291</b>	<b>56,867</b>
Other income .....	134	12	2,594	487
Materials and services .....	-3,076	-2,303	-5,440	-6,089
Employee benefit expenses .....	-19,041	-18,744	-36,757	-35,602
Depreciations and impairments.....	-2,387	-1,926	-4,003	-2,300
Other expenses.....	-4,187	-4,528	-8,974	-10,897
<b>Operating profit</b> .....	<b>2,197</b>	<b>2,101</b>	<b>5,711</b>	<b>2,466</b>
Financial income and expenses.....	-1,094	-975	-2,032	-1,824
<b>Profit before taxes</b> .....	<b>1,104</b>	<b>1,126</b>	<b>3,679</b>	<b>642</b>
Income taxes.....	-285	-185	-876	-286
Profit for the financial period .....	<b>819</b>	<b>941</b>	2,803	356

Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Currency translation differences .....	-24	-45	-44	-14
Other comprehensive income .....	-	-	-29	0
Other comprehensive income, net of tax.....	-24	-45	-73	-14
<b>Total comprehensive income.....</b>	<b>794</b>	<b>896</b>	<b>2,731</b>	<b>342</b>
Total profit for the period attributable to owners of the parent.....	819	941	2,803	356
Total comprehensive income attributable to owners of the parent.....	794	896	2,731	342
Earnings per share, EUR (undiluted) .....	0.04	0.05	0.15	0.02
Earnings per share, EUR (diluted) .....	0.04	0.05	0.15	0.02

### Consolidated statement of financial position

(EUR thousands)	<u>As at 30 June 2020</u> (unaudited)	<u>As at 30 June 2019</u> (unaudited)	<u>As at 30 Dec 2019</u> (audited)	<u>As at 30 Dec 2018</u> (audited)
<b>Assets</b>				
<b>Non-current assets</b>				
Tangible assets .....	545	604	654	2,355
Right-of-use assets .....	7,706	7,468	7,298	-
Intangible assets				
Goodwill .....	38,845	40,374	38,840	40,427
Other intangible assets .....	11,250	8,616	10,151	6,952
Other investments .....	481	481	481	481
Other long-term receivables.....	158	211	108	233
<b>Non-current assets total.....</b>	<b>58,983</b>	<b>57,754</b>	<b>57,531</b>	<b>50,448</b>
<b>Current assets</b>				
Inventories .....	125	119	164	94
Trade and other receivables .....	10,398	13,334	15,638	11,985
Cash and cash equivalents.....	7,755	4,362	3,648	5,347
<b>Current assets total .....</b>	<b>18,278</b>	<b>17,816</b>	<b>19,449</b>	<b>17,426</b>
<b>Total assets .....</b>	<b>77,261</b>	<b>75,570</b>	<b>76,980</b>	<b>67,874</b>
<b>Equity and liabilities</b>				
<b>Equity attributable to equity holders of the parent company</b>				
Share capital .....	1,009	1,009	1,009	1,009
Share premium reserve.....	75	75	75	75
Distributable equity reserve.....	12,910	12,910	12,910	12,910
Retained earnings .....	11,328	8,699	10,533	7,803
<b>Total equity.....</b>	<b>25,322</b>	<b>22,693</b>	<b>24,528</b>	<b>21,797</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities.....	502	845	588	815
Financial liabilities .....	25,492	25,276	1,201	25,551
Lease liabilities.....	5,498	5,055	5,156	-
<b>Non-current liabilities total.....</b>	<b>31,492</b>	<b>31,176</b>	<b>6,945</b>	<b>26,366</b>
<b>Current liabilities</b>				
Financial liabilities .....	-	1,600	26,461	2,710
Trade and other payables .....	17,920	17,463	16,657	16,588

Provisions .....	50	105	41	414
Lease liabilities.....	2,478	2,534	2,349	-
<b>Current liabilities total .....</b>	<b>20,447</b>	<b>21,701</b>	<b>45,508</b>	<b>19,712</b>
<b>Total equity and liabilities .....</b>	<b>77,261</b>	<b>75,570</b>	<b>76,980</b>	<b>67,874</b>

## Cash flow statement

(EUR thousands)	1-6/2020 (unaudited)	1-6/2019 (unaudited)	1-12/2019 (audited)	1-12/2018 (audited)
<b>Cash flow from operating activities</b>				
Profit for the financial period .....	819	941	2,803	356
Adjustments for operating profit .....	3,700	2,413	3,732	3,797
Changes in working capital .....	1,264	-1,227	-595	5,675
Interests paid .....	-458	-199	-1,829	-2,054
Interests received.....	19	10	16	228
<b>Net cash from operating activities.....</b>	<b>5,345</b>	<b>1,939</b>	<b>4,128</b>	<b>8,002</b>
<b>Cash flow from investing activities</b>				
Divestment/Acquisition of subsidiaries .....	4,071	-	-	-2,291
Investments in tangible and intangible assets.....	-2,090	-2,224	-4,668	-3,304
<b>Net cash used in investing activities.....</b>	<b>1,981</b>	<b>-2,224</b>	<b>-4,668</b>	<b>-5,595</b>
<b>Cash flow from financing activities</b>				
Long-term loans, increase.....	7	857	1,201	-
Short-term loans, increase .....	-	1,595	3,595	2,000
Short-term loans, decrease .....	-2,000	-2,000	-3,595	-40
Payment of finance lease liabilities .....	-1,225	-1,151	-2,361	-573
<b>Net cash used in financing activities .....</b>	<b>-3,218</b>	<b>-699</b>	<b>-1,160</b>	<b>1,387</b>
<b>Changes in cash and cash equivalents .....</b>	<b>4,107</b>	<b>-985</b>	<b>-1,700</b>	<b>3,795</b>
Cash and cash equivalents at the beginning of period.....	3,648	5,347	5,347	1,552
<b>Cash and cash equivalents at the end of period...</b>	<b>7,755</b>	<b>4,362</b>	<b>3,648</b>	<b>5,347</b>

## Key Figures

(EUR in thousands, unless otherwise indicated)	As at 30 June and for the six months ended		As at and for the year ended 31 December	
	1-6/2020	1-6/2019	1-12/2019	1-12/2018
	(unaudited, unless otherwise indicated)		(unaudited, unless otherwise indicated)	
Revenue.....	30,754	29,590	58,291 <sup>1)</sup>	56,867 <sup>1)</sup>
Comparable revenue.....	30,754	28,041	55,293	.. <sup>2)</sup>
EBITDA .....	4,584	4,027	9,714	4,766
Comparable EBITDA.....	4,774	3,653	6,582	5,417 <sup>3)</sup>
Operating profit .....	2,197	2,101	5,711 <sup>1)</sup>	2,466 <sup>1)</sup>
Comparable operating profit.....	2,387	1,726	2,579	3,117 <sup>3)</sup>
Profit for the financial period .....	819	941	2,803 <sup>1)</sup>	356 <sup>1)</sup>
Earnings per share, EUR .....	0.04	0.05	0.15 <sup>1)</sup>	0.02 <sup>1)</sup>
Operating profit, per cent .....	7.1	7.1	9.8	4.3
Comparable operating profit, per cent.....	7.8	6.2	4.7	5.5 <sup>3)</sup>
Equity ratio, per cent .....	33.1	30.3	32.0	32.4

1) Audited

2) Comparable revenue has not been calculated for the financial year 2018

3) For the financial year 2018, the effects of divesting SAP ERP business (effective 31.12.2019) have not been eliminated

## Calculation of Key Figures

Comparable revenue	=	Revenue – items classified as affecting comparability
EBITDA	=	Operating profit + depreciation and impairments
Items classified as affecting comparability	=	Material income and expense items which affect the comparability between periods because of their unusual nature, size or incidence resulting for example from group-wide restructuring programs or disposals of assets or businesses
Comparable EBITDA	=	EBITDA – items classified as affecting comparability
Comparable operating profit	=	Operating profit – items classified as affecting comparability
Earnings per share	=	$\frac{\text{Profit before taxes -/+ minority interest}}{\text{Adjusted average basic number of shares}}$
Operating profit, per cent	=	$\frac{\text{Operating profit} \times 100}{\text{Revenue}}$
Comparable operating profit, per cent	=	$\frac{\text{Comparable operating profit} \times 100}{\text{Comparable revenue}}$
Equity ratio, per cent	=	$\frac{\text{Equity}}{\text{Assets}}$

## Reconciliation of certain alternative performance measures

### Comparable revenue

(EUR thousands)	1-6/2020 (unaudited)	1-6/2019 (unaudited)	1-12/2019 (unaudited)
<b>Revenue</b>	<b>30,754</b>	<b>29,590</b>	<b>58,291</b>
<b>Items affecting comparability</b>			
SAP ERP business transfer agreement .....	-	-1,549	-2,998
<b>Total items affecting comparability .....</b>	<b>-</b>	<b>-1,549</b>	<b>-2,998</b>
<b>Comparable revenue.....</b>	<b>30,754</b>	<b>28,041</b>	<b>55,293</b>

### Comparable operating profit

(EUR thousands)	1-6/2020 (unaudited)	1-6/2019 (unaudited)	1-12/2019 (unaudited)
<b>Operating profit (EBIT)</b>	<b>2,197</b>	<b>2,101</b>	<b>5,711</b>
<b>Items affecting comparability</b>			
SAP ERP business transfer agreement .....	-	-446	-3,479
Cost of integrating the acquired business .....	-	72	72
Non-recurring severance packages .....	190	-	39
Damages from completed customer projects .....	-	-	98
Costs incurred by the re-organisation of operations.....	-	-	138
<b>Items affecting comparability total .....</b>	<b>190</b>	<b>-375</b>	<b>-3,132</b>
<b>Comparable operating profit (EBIT) .....</b>	<b>2,387</b>	<b>1,726</b>	<b>2,579</b>

### Comparable operating profit, financial year 2018

(EUR thousands)	1-12/2018 (unaudited)
<b>Operating profit (EBIT)</b> .....	<b>2,466</b>
<b>Items affecting comparability</b>	
Incentive and option scheme (IFRS 2) .....	-14
Acquisition of subsidiaries .....	12
Change in fair value of conditional consideration .....	-460
Cost of integrating the acquired business .....	72
Non-recurring severance packages .....	241
Damages from completed customer projects .....	800
Cost of restructuring operations .....	-
<b>Items affecting comparability total</b> .....	<b>651</b>
<b>Comparable operating profit (EBIT)</b> .....	<b>3,117</b>

### Comparable EBITDA

(EUR thousands)	1-6/2020 (unaudited)	1-6/2019 (unaudited)	1-12/2019 (unaudited)
<b>EBITDA</b>	<b>4,584</b>	<b>4,027</b>	<b>9,714</b>
<b>Items affecting comparability</b>			
SAP ERP business transfer agreement .....	-	-446	-3,479
Cost of integrating the acquired business .....	-	72	72
Non-recurring severance packages .....	190	-	39
Damages from completed customer projects .....	-	-	98
Costs incurred by the re-organisation of operations .....	-	-	138
<b>Items affecting comparability total</b> .....	<b>190</b>	<b>-375</b>	<b>-3,132</b>
<b>Comparable EBITDA</b> .....	<b>4,774</b>	<b>3,653</b>	<b>6,582</b>

### Comparable EBITDA, financial year 2018

(EUR thousands)	1-12/2018 (unaudited)
<b>EBITDA</b>	<b>4,766</b>
<b>Items affecting comparability</b>	
Incentive and option scheme (IFRS 2) .....	-14
Acquisition of subsidiaries .....	12
Change in fair value of conditional consideration .....	-460
Cost of integrating the acquired business .....	72
Non-recurring severance packages .....	241
Damages from completed customer projects .....	800
Cost of restructuring operations .....	-
<b>Items affecting comparability total</b> .....	<b>651</b>
<b>Comparable EBITDA</b> .....	<b>5,417</b>

### No Material Adverse Change or Significant Change

Other than as described under “*Summary of the recent disclosures – Cancellation and release of new Profit Guidance for 2020*”, there has been no material adverse change in the prospects of the Issuer since 31 December 2019, which is the date of its last published audited financial statements. There has been no

significant change in the financial position or financial performance of the Issuer or the Group since 30 June 2020.

## BOARD OF DIRECTORS, MANAGEMENT AND AUDITORS

### General

The Issuer is a public limited liability company, listed on Nasdaq Helsinki and incorporated and domiciled in Vantaa, Finland. In its decision-making and governance, the Issuer complies with the laws and regulations applicable to Finnish public companies, rules set forth in the Helsinki Stock Exchange, the Issuer's Articles of Association and the Corporate Governance Statement approved by the Issuer's Board of Directors of the Company as well as other applicable regulations. The Issuer follows the Finnish Corporate Governance Code of the Finnish Securities Markets Association effective as of 1 January 2020 as well as the Guidelines for Insiders issued by the Helsinki Stock Exchange.

The governing bodies of the Issuer (*i.e.*, the Company's General Meeting of Shareholders, Board of Directors and Chief Executive Officer (the "CEO")) have the ultimate responsibility for the organisation of the Group's management and operations. The Solteq Executive Team supports and assists the Company's CEO in the efficient management of the Group's operations. Solteq's primary corporate governance information source is its Corporate Governance website.

The shareholders of the Company exercise their decision-making power at the Company's General Meeting of Shareholders. According to the Company's Articles of Association, the Company's Annual General Meeting of Shareholders shall be held annually within six (6) months of the expiration of the financial period. The Finnish Companies Act and the Articles of Association of the Company define matters to be dealt with in the Annual General Meeting of Shareholders, including, among other things, the approval of financial statements, decisions on dividends and increases or reductions in share capital, amendments to the Articles of Association as well as the election and the remuneration of the Company's Board of Directors and Auditor.

### Board of Directors

The general objective of the Company's Board of Directors is to steer Solteq's operations in a manner that secures a significant and sustained increase in the value of the Issuer for its shareholders. To this end, the members of the Board of Directors of the Company are expected to act as a resource and to offer their expertise and experience for the benefit of the Company. The duties and responsibilities of the Board of Directors of the Company are defined in compliance with the Finnish Companies Act as well as other applicable legislation. The Board of Directors of the Company has general authority to decide and act in all matters not reserved for other corporate governance bodies by law or under the provisions of the Company's Articles of Association. The general task of the Board of Directors of the Company is to organise and oversee Solteq's management and operations and at all times to act in the best interest of Solteq. The Board of Directors of the Company confirms and supervises the implementation of Solteq's strategy and annual budget as well as decides on, among other things, the approval of significant financing agreements and the purchase and sale of significant assets. The Board of Directors of the Company monitors the financial performance of Solteq by means of monthly reports and other information provided by Solteq's management. The Board of Directors of the Company has drafted a written Charter for its operations, which specifies the meeting procedure of the Board of Directors and its duties. The Board of Directors of the Company convenes 8-12 times a year. In 2019, the Board of Directors of the Company had 12 meetings with an average attendance rate of 90 percent.

Pursuant to the Company's Articles of Association, the Board of Directors of the Company shall have a minimum of five (5) and a maximum of seven (7) ordinary members. Members of the Board of Directors of the Company are elected for a term commencing from the Annual General Meeting of Shareholders that elects the members and expiring at the end of the following Annual General Meeting of Shareholders. The Board of Directors of the Company elects a Chairman from among its members.

At the date of this Prospectus, the Board of Directors of the Company consists of the following persons:

Name	Year of Birth	Position	Board member since
Markku Pietilä	1957	Chairman of the Board	2008
Lotta Kopra	1980	Board member	2018
Katarina Segerståhl	1981	Board member	2019
Aarne Aktan	1973	Board member	2015
Panu Porkka	1977	Board member	2019
Mika Uotila	1971	Board member	2015

**Markku Pietilä** has been the Chairman of the Board of Directors of the Company since 2018 and a member of the Board of Directors of the Company since 2008. Mr Pietilä has been the CEO of KymiRing Oy since 2019, a member of the Board of Directors of KymiRing Oy since 2013 and the Chairman of the Board of Directors of Profiz Business Solutions Oy since 2015, after being the CEO of the company 2001-2015. Previously, Mr Pietilä has held several senior management positions at Componenta Oyj between 1989 and 2001. Mr Pietilä holds a Master of Science degree in Technology and a Masters in Business Administration degree. He is a Finnish citizen.

**Lotta Kopra** has been a member of the Board of Directors of the Company since 2018. Ms Kopra has founded and has been the Chairman of the Board of Directors of Magenta Advisory Oy since 2013 and a member of the Board of Directors of eQ Oyj since 2019. She has served as the Chief Commercial Officer of Spinnova Oy since 2019. She has previously held several management positions at BearingPoint Ltd between 2015 and 2018. Ms Kopra holds a Master of Science degree in Economics. She is a Finnish citizen.

**Katarina Segerståhl** has been a member of the Board of Directors of the Company since 2019. Ms Segerståhl has been the Chief Strategy Officer, Aava Medical, of Aho Group Oy since 2017. Previously, Ms Segerståhl has held several positions at Tieto Finland Oy including Head of Strategic Design between 2015 and 2017, Head of Service Design between 2014 and 2015 and Senior Consultant, Head of User Experience, between 2011 and 2014. Ms Segerståhl holds a Doctor of Philosophy in Information Systems. She is a Finnish citizen.

**Aarne Aktan** has been a member of the Board of Directors of the Company since 2015. Mr Aktan has been the CEO of Synlab Oy since 2018. Previously, Mr Aktan has served as the CEO of Pihlajalinna Plc between 2016 and 2017, the CEO of Talentum Oyj between 2011 and 2018, the CEO of Quartal Oy between 1998 and 2011 and Account Manager at Kauppamainos Bozell Oy between 1997 and 1998. Mr Aktan holds a Bachelor of Science degree in Economics. He is a Finnish citizen.

**Panu Porkka** has been a member of the Board of Directors of the Company since 2019. Mr Porkka has been the CEO of Verkkokauppa.com Oyj since 2018. Previously, Mr Porkka has served as the CEO of Suomalainen Kirjakauppa Oy between 2017 and 2018 and Sales Director at Tokmanni Oy between 2013 and 2016. Mr Porkka has taken the Finnish matriculation examination. He is a Finnish citizen.

**Mika Uotila** has been a member of the Board of Directors of the Company since 2015. Mr Uotila has been the Managing Partner of Sentica Partners Oy since 2007. Further, he has been the CEO of Sarasco Oy since 2005. Previously, Mr Uotila has been the CEO of Siirisco Oy between 2013–2015, he served as an Investment Director and Partner at Sentica Partners Oy between 2004 and 2007, and as an Investment Director and CEO at Sentio Invest Oy between 2002 and 2004, and he has held several expert and executive positions at Sonera Oy and Sonera Smart Trust Oy between 1995 and 2001. Mr Uotila currently serves as the Chairman of the Board of Verkanappulat Oy, Apula Oy, Montessori-Päiväkoti Aurinkoleijona Oy, Lastentalo Mukulax Oy, Paltan Päiväkoti Oy, Sentica Partners Oy, Sentica Growth Fund II GP Oy, Sentica Buyout III GP Oy, Sentica Buyout IV GP Oy, Sentica Buyout V GP Oy, Luotsi Capital Oy, Jakke NewCo Oy and Jakke BidCo Oy and as a member of the Board of Eezy Oyj, Orneule Oy, Ammania Oy Ab, HLRE Holding Oy, HLRE Group Oy and Sannisco Oy. Within the past five years, Mr Uotila has also served as the chairman of the board of Kullo Plains Oy, Func Food Group Oyj, Func Food Finland Oy, Sentica Terveysteknologia I GP Oy, Pihlajalinna Terveys Oy and Pihlajalinna Oyj, and as a board member in Descom Group Oy, Descom Oy, CocoVi Import Oy and Luotsi Capital GP Oy. Mr. Uotila holds a Master of Science degree in Economics. He is a Finnish citizen.

All six member of the Company's Board of Directors are independent of the Company, and four of the members of the Board of Directors are also independent of significant shareholders.

### ***Solteq's Diversity Principles***

The purpose of the diversity policy of the Board of Directors of the Company is to define the objectives and methods for achieving appropriate diversity for and promoting the collective effectiveness of the activities of the Board of Directors of the Company. Diversity of the Board of Directors of the Company supports the business operations and development of Solteq. The Issuer recognises the importance of a diverse Board of Directors, including but not limited to, academic background, professional expertise, perspectives and knowledge of Solteq and its stakeholders, experience from relevant industrial sectors as well as a representation of both genders. The current Board of Directors of the Company achieves the objective of a well-balanced board structure in terms of industry and market knowhow, professional and academic background as well as gender representation.

As to gender diversity, 33 percent of the members of the Board of Directors, 17 percent of the Company's management team and 22 percent of the Company's personnel are women.

### **Composition and Operations of the Board Committees**

To handle specific tasks, the Board of Directors of the Company may set up Committees, management teams and other permanent or fixed-term organs to perform tasks assigned to them by the Board of Directors of the Company. If the Board of Directors of the Company sets up Committees, it shall elect the members and appoint the Chairpersons for such Committees. The Board of Directors of the Company shall also confirm rules of procedure defining the purpose and tasks for the Committees. The Board of Directors of the Company has set up one permanent committee, the Board Audit Committee. No temporary working groups were set up in 2019.

#### Audit Committee

The Board of Directors of the Company is assisted by the Audit Committee. The Audit Committee consists of three (3) members. The Board of Directors of the Company elects the members and the Chairperson of the Audit Committee from among its members. The members of the Audit Committee shall have the qualifications required for performing the tasks of the Audit Committee, and at least one (1) member shall have expertise in accounting, bookkeeping or auditing. According to the Company's current policy, the members of the Board of Directors' Audit Committee must be independent of the Company and at least one of the members must be independent of the Company's significant shareholders. The Company's CEO and CFO present the matters to the Audit Committee. If necessary, the Audit Committee may use external experts and advisors. The Chairperson of the Audit Committee prepares the meeting agendas of the Committee and decides on their contents after discussing the matter with the management of the Company.

The Audit Committee focuses on the management and preparation of matters related to financial reporting and supervision. The task of the Audit Committee include, among other things, matters relating to the Company's financial and financing situation; the Company's financial statement reporting; the supervision of the Company's financial reporting and merger and acquisition processes; the monitoring of the efficiency of the Company's internal control, possible internal auditing and risk management systems; reviewing the reports of the Company on its governance system; monitoring the financial statements and related statutory audits, assessment of the independence of the statutory auditor or audit firm; assessment of the audit firm's offering of auxiliary services; preparing of a proposal for decision concerning the election of an Auditor; maintaining of contact with the Auditor and review the reports prepared by the Auditor for the Audit Committee and assessing compliance with laws and statutory regulations.

As at the date of this Prospectus, the Audit Committee of the Board of Directors consists of Aarne Aktan (Chairman), Lotta Kopra and Markku Pietilä. All members of the Audit Committee are independent of the Company and Aarne Aktan and Lotta Kopra are independent of the Company and the Company's significant shareholders.

### **The CEO**

The Company's Board of Directors appoints the CEO of the Company. Olli Väätäinen has acted as the CEO of the Company since 2017. The CEO of the Company is responsible for the management of the Company's business operations and governance in accordance with the Company's Articles of Association, the Finnish Companies Act and the instructions issued by the Board of Directors of the Company. The CEO of the Company prepares decisions and other matters for the meetings of the Board of Directors of the Company and ensures the proper implementation of the decisions of the Board of Directors of the Company. The CEO of the Company also chairs the meetings of Solteq's Executive Team.

### **The Executive Team**

The Executive Team of Solteq assist the CEO of the Company in the operative management of Solteq. The Executive Team prepares matters to be dealt with by the Company's Board of Directors and the CEO as well as plans and monitors the operations of the business units. The members of the Executive Team have extensive authorities in their individual areas of responsibility and their duty is to develop Solteq's operations in line with the targets set by the Company's Board of Directors and the CEO. The Executive Team convenes regularly each month.

As of the date of this Prospectus, the Executive Team of Solteq consists of the following persons:

Name	Year of Birth	Position	Executive Team member since
Olli Väätäinen	1966	CEO	2017
Ilkka Brander	1976	Executive Vice President, Solteq Software	2016
Juha Rokkanen	1969	Executive Vice President, Solteq Digital	2017
Matti Djateu	1975	Chief Digital Officer	2017
Kirsi Jalasaho	1974	Vice President, People and Culture	2017
Kari Lehtosalo	1972	Chief Financial Officer	2019

**Olli Väätäinen** has been the CEO of the Company and a member of the Executive Team of Solteq since 1 April 2017 and a member of the Board of Directors of the Company between 2015 and 2017. Mr Väätäinen has been the Chairman of the Board of Directors of Kotipizza Oyj between 2011 and 2015, and has served as the Chief Operative Officer and member of the Management Team of Kotipizza Oyj between 2015 and 2017 and he has been in various Boards of Directors, and acted as the CEO and an advisor in various Information Technology and services companies since 1990. Mr Väätäinen holds a Master of Science Degree in Economics. He is a Finnish citizen.

**Ilkka Brander** has been the Executive Vice President, Solteq Solutions, and a member of the Executive Team of Solteq since 22 November 2016. Mr. Brander has served as a member of the Board of Directors of SNG Group Oy since 2017 and a member of the Board of Directors of Saarioinen Oy since 2017. Previously, Mr. Brander has served as the CEO of S-Verkkopalvelut Oy, at S group between 2011 and 2016 and Director, SOK Consumer Goods, at S Group between 2009 and 2011, and Division Manager, Sokos retail chain, at S group between 2005 and 2009. Mr. Brander holds a Bachelor of Social Sciences Degree and Master of Business Administration Degree. He is a Finnish citizen.

On 20 August 2020, the Company announced that Ilkka Brander had decided to leave the Company by November 2020 in order to assume a new position outside Solteq.

**Juha Rokkanen** has been the Executive Vice President, Solteq Digital, and a member of the Executive Team of Solteq since 12 June 2017. Previously, he has served as the CEO of inPulse Works Oy between 2016 and 2017, Managing Director of Innofactor Finland Oyj between 2013 and 2015, CEO of atBusiness Oy between 2006 and 2013 and Sales Director at WM-Data Novo Oyj between 2003 and 2006. Mr Rokkanen holds a Bachelor of Business Administration Degree. He is a Finnish citizen.

**Matti Djateu** has been the Chief Digital Officer and a member of the Executive Team of Solteq since 16 June 2017. Previously Mr Djateu has worked as Head of Digital & PR at Scotch & Soda B.V. between 2015 and 2017, as Creative Director at Dentsu Aegis Network Oy between 2011 and 2014 and as Digital Marketing Manager – Wrangler EMEA at VF Europe B.V.B.A. between 2008 and 2010. He is a Finnish citizen.

**Kirsi Jalasaho** has been the Vice President, People and Culture, and a member of the Executive Team of Solteq since 3 April 2017. She has previously acted as the Vice President, Marketing and IR at Solteq Plc between 2015 and 2017. She has been a member of the Boards of Directors of Jyvä-Pakki Oy since 2017 and Central Finland Regional Board, Technology Industries of Finland since 2018. Previously, Ms Jalasaho has served as the Chief Financial Officer and a member of the Executive Team of Descom Oy between 2012 and 2015. Ms Jalasaho holds a Master of Science Degree in Economics. She is a Finnish citizen.

**Kari Lehtosalo** has been the Chief Financial Officer and a member of the Executive Team of Solteq since 23 September 2019. Previously, Mr Lehtosalo has held several positions at IBM including acting as the Chief Financial Officer between 2013 and 2019 and working in several Finance and Business Development leadership positions between 2001 and 2012. Mr Lehtosalo holds a Master of Business Administration Degree. He is a Finnish citizen.

## Business Address

The business address of the members of the Board of Directors, the CEO and the Executive Team is Karhumäentie 3, FI-01530 Vantaa, Finland.

**Absence of Conflicts of Interest**

Except for their legal and/or beneficial direct or indirect interest in the shares of the Issuer, to the knowledge of Solteq, the members of the Board, the CEO or the members of the Executive Team do not have any conflicts of interest between their duties relating to Solteq and their private interest and/or their other duties.

**Auditors**

The Issuer's auditor is Certified Public Audit firm KPMG Oy Ab with Authorised Public Accountant Petri Sammalisto as the responsible auditor. Petri Sammalisto is a member of Finnish Auditors ry. The business address of the principal Auditor and KPMG Oy Ab Oy is Töölönlahdenkatu 3 A, FI-00101 Helsinki, Finland.

## SHARE CAPITAL AND OWNERSHIP STRUCTURE

As at the date of this Prospectus, the Issuer has issued a total of 19,306,527 shares and has a registered share capital of EUR 1,009,154.17, which is fully paid. The Company has one (1) tranche of Shares. The Issuer's shares belong to the book-entry system and they are subject to public trading on the Official List of Nasdaq Helsinki. The trading code of the shares is 'SOLTEQ'.

As at 31 August 2020, altogether 2,400 shareholders held shares in the Issuer, of which the 10 largest shareholders are listed below with their respective ownership participation percentage and number of shares owned. As at the date of this Prospectus, the Issuer does not hold any treasury shares.

<b>Shareholder</b>	<b>No. of shares</b>	<b>Per cent of shares</b>
Sentica Buyout III Ky	4,621,244	23.94
Profiz Business Solution Oy	2,060,769	10.67
Elo Mutual Pension Insurance Company	2,000,000	10.36
Saadetdin Ali Urhan	1,403,165	7.27
Varma Mutual Pension Insurance Company	1,245,597	6.45
Aalto Seppo Tapio	730,000	3.78
Roininen Matti Juhani	450,000	2.33
Väätäinen Olli Pekka	400,000	2.07
Lamy Oy	225,000	1.17
Sentica Buyout III Co-Investment Ky	180,049	0.93
<b>10 largest shareholders in total</b>	<b>13,315,824</b>	<b>69.0</b>

A non-Finnish shareholder may appoint an account operator (or certain other Finnish or non-Finnish organisations approved by Euroclear Finland) to act as a nominee on its behalf. Therefore, the above list does not include individual beneficial shareholders that own shares through nominees. The aggregate number of nominee registered shares as of 31 August 2020 is 969,243, representing 5.02 per cent of the outstanding shares and votes.

To the extent known to the Issuer, the Issuer is not directly or indirectly owned or controlled by any person for the purposes of Chapter 2, Section 4 of the Finnish Securities Market Act, and the Issuer is not aware of any arrangement the operation of which may result in a change of control of the Issuer.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents have been incorporated by reference to this Prospectus. They have been published on the Issuer's website at [www.solteq.com/en/investors](http://www.solteq.com/en/investors). The parts of the following documents that have not been incorporated by reference to this Prospectus are either not relevant for investors in the Notes or are covered elsewhere in this Prospectus.

<b>Document</b>	<b>Information incorporated by reference</b>
Solteq Plc's Annual Report and Financial Statements 2019	Report of the Board of Directors and audited consolidated financial statements of Solteq Plc as at and for the year ended 31 December 2019, pages 36-47 and 49-94.
Solteq Plc's Annual Report and Financial Statements 2019	Auditor's report for Solteq Plc as at and for the year ended 31 December 2019, pages 95-99.
Solteq Plc's Half-Year Report 1 January – 30 June 2020	Interim financial report as at and for the six months ended 30 June 2020

## **DOCUMENTS ON DISPLAY**

In addition to the documents incorporated by reference, the FIN-FSA decision of approval of the Prospectus, the Issuer's Articles of Association and the extract from the Finnish Trade Register concerning the Issuer are available for viewing on the Issuer's website at [www.solteq.com/en/investors](http://www.solteq.com/en/investors) and at the registered head office of the Issuer at Karhumäentie 3, FI-01530 Vantaa, Finland during the period of validity of the Prospectus.

**ISSUER**

Solteq Plc  
Karhumäentie 3  
FI-01530 Vantaa  
Finland

**LEAD MANAGER**

Danske Bank A/S  
Televisiokatu 1  
FI-00240 Helsinki  
Finland

**LEGAL ADVISER TO THE ISSUER**

Borenus Attorneys Ltd  
Eteläesplanadi 2  
FI-00130 Helsinki  
Finland

**AUDITOR OF THE ISSUER**

KPMG Oy Ab  
Töölönlahdenkatu 3 A  
FI-00100 Helsinki  
Finland