



SENTIEC OYJ

**Listing of SEK 290,000,000 Senior Secured Bonds Due 2025****The Bonds were issued in denominations of SEK 1,250,000**

On 2 February 2021, Sentiec Oyj (the “**Issuer**” or the “**Company**”) issued senior secured bonds with an aggregate principal amount of SEK 290,000,000 (the “**Bonds**”) based on an authorization given by the Issuer’s Board of Directors on 8 January 2021. The Bonds were issued in denominations of SEK 1,250,000. The Bonds were offered for subscription through a book-building procedure that was carried out in January 2021 (the “**Offering**”). The Bonds bear interest at the rate of STIBOR 3 months plus a margin of 8.00 per cent. per annum. The maturity of the Bonds is on 2 February 2025, unless the Issuer prepays the Bonds in accordance with the terms and conditions of the Bonds. The Bonds are secured by certain assets as described in more detail in the “Terms and Conditions of the Bonds”.

This listing prospectus (the “**Prospectus**”) contains information on the Offering and the Bonds. The Prospectus has been prepared solely for the purpose of admission to listing of the Bonds on the corporate bond list of Nasdaq Stockholm Aktiebolag, reg. no. 556420-8394 (“**Nasdaq Stockholm**”) and does not constitute any offering of the Bonds.

Application will be made for the Bonds to be admitted to trading on the corporate bond list of Nasdaq Stockholm (the “**Listing**”), and the Listing is expected to take place on or about 8 December 2021, provided that Nasdaq Stockholm approves the listing application.

**The validity of this Prospectus expires when the Bonds have been admitted to trading on the corporate bond list of Nasdaq Stockholm. 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the event of significant new factors, material mistakes or material inaccuracies does not apply when the Prospectus is no longer valid.**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**”) and the intended filing of application to Nasdaq Stockholm, neither the Issuer nor the Bookrunner (as defined hereafter) have taken any action, nor will they take any action to render the public offer of the Bonds in any jurisdiction or their possession, or the distribution of this Prospectus or any other documents relating to the Bonds admissible in any other jurisdiction than Finland or Sweden requiring special measures to be taken for the purpose of public offer.

The Bonds have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the “**Securities Act**”) or with any securities regulatory authority of any state of the United States. The Bonds 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 (“**Regulation S**”)), except to a person who is not a U.S. Person (as defined in Regulation S) in an offshore transaction pursuant to Regulation S.

Neither the Issuer nor the Bonds have been assigned any credit ratings at the request or with the co-operation of the Issuer in the rating process.

**Investment in the Bonds involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Bonds are discussed under “Risk Factors” below.**

*Bookrunner:*



## IMPORTANT INFORMATION

This Prospectus has been drawn up 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 7, 15 and 21 thereof. 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 69/02.05.04/2021) but assumes no responsibility for the correctness of the information contained herein. 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 Bonds nor the Issuer. The Issuer has requested the FIN-FSA to notify the competent authority of Sweden, the Swedish Financial Supervisory Authority (*Finansinspektionen*), with a certificate of approval attesting that the Prospectus has been drawn up in accordance with this the Prospectus Regulation.

In this Prospectus, “**Sentiec**” and the “**Group**” refer to Sentiec Oyj and its subsidiaries and associated companies, on a consolidated basis, except where the context may otherwise require. All references to the “**Issuer**” and the “**Company**” refer to Sentiec Oyj, except where the context may otherwise require.

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 and form part of this Prospectus. See “*Information Incorporated by Reference*”.

Pareto Securities AB has acted as the bookrunner in connection with the issue of the Bonds (the “**Bookrunner**”). The Bookrunner is not acting for anyone else in connection with the Offering or the Listing and will not be responsible to anyone other than Sentiec for providing the protections afforded to their respective clients nor for providing any advice in relation to the Listing or the contents of this Prospectus.

Potential investors should rely only on the information contained in this Prospectus, including information incorporated by reference into this Prospectus. Neither Sentiec nor the Bookrunner have authorized any person to provide any information or to give any statements not contained in or not consistent with this Prospectus and, if given or made, such information or representation should not be relied upon as having been authorized by the Issuer and the Bookrunner. The Bookrunner has not independently verified information contained herein. The Bookrunner assumes no responsibility, except for statutory liability, 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 it might otherwise be found to have in respect of this Prospectus or any such statement. Delivery of this Prospectus nor any sale made hereunder, shall not, under any circumstances, create any implication that there has been no change in the affairs of Sentiec since the date of this Prospectus or that the information herein is correct as of any time subsequent to the date of this Prospectus and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation by Sentiec or the Bookrunner as to the future. However, if a fault or omission is discovered in this Prospectus before the Listing and such fault or omission may be of material importance to investors, this Prospectus shall be supplemented in accordance with the Prospectus Regulation. Unless otherwise stated, any estimates with respect to market development relating to the Group or its industry are based upon the reasonable estimates of the Company’s management.

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

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 distribution of this Prospectus may, in certain jurisdictions, be restricted by law, and this Prospectus may not be used for the purpose of, or in connection with, any offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. No actions have been taken to register or qualify the Bonds, or otherwise to permit a public offering of the Bonds, in any jurisdiction. Sentiec and the Bookrunner expect persons into whose possession this Prospectus comes to inform themselves of and observe all such restrictions. Neither Sentiec nor the Bookrunner accept any legal responsibility for any violation by any person, whether or not a prospective purchaser of Bonds is aware of such restrictions. In particular the Bonds may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into the United States, Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa or any other jurisdiction in which it would not be permissible to offer the Bonds and this Prospectus may not be sent to any person in the beforementioned jurisdictions.

This Prospectus has been prepared in English only. In accordance with an exemption set out in Article 7(1) of the Prospectus Regulation, no English language summary has been prepared. Save for the Issuer’s audited financial statements as at and for the financial period ended 31 December 2020, Citec Group Oy Ab’s audited consolidated financial statements as at and for the financial year ended 31 December 2020 and 31 December 2019 incorporated by reference into this Prospectus, no part of this Prospectus has been audited.

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

**PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS** – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”) or in the United Kingdom (the “**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in point (e) of Article 2 of Regulation (EU) 2017/1129. No key information document is required by Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) as the Bonds are not considered to be in the scope of the PRIIPs Regulation.

**MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET** – Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (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 Bonds (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

Interest payable on the Bonds will be calculated by reference to STIBOR. As at the date of this Prospectus, no administrator of STIBOR appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (the “**ESMA**”) pursuant to Article 36 of Regulation (EU) 2016/1011 (the “**Benchmark Regulation**”).

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## RISK FACTORS

*Investors considering investment in the Bonds should carefully review the information contained in this Prospectus and, in particular, the risk factors described below. Factors possibly affecting an investment decision are also discussed elsewhere in this Prospectus. Each of the risk factors described herein are specific to the Group and/or the Issuer, as applicable, and should one or more of the risk factors materialize, it may have a material adverse effect on the Group's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Bonds, the market price and value of the Bonds as well as, as applicable, the sufficiency of the security and the guarantees the Group has granted in accordance with the Terms and Conditions of the Bonds. As a result, investors may lose part or all of their investments despite the security and guarantees granted by Group. This description is based on information and values known and assessed at the time of preparing this Prospectus, and, therefore, the description of the risk factors is not necessarily exhaustive. The risks involved in an investment in the Bonds are not limited to the factors identified below and in addition, the Group faces many of the risks inherent to engineering services, technical documentation and digital solutions industries and additional risks and uncertainty factors that are unknown or regarded as minor at the present time may have a material adverse effect on the Group's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Bonds as well as the market price and value of the Bonds. All investors should make their own evaluations of the risks associated with an investment in the Bonds and consult their own professional advisers if they consider it necessary.*

*The risk factors are presented below in the following five (5) categories:*

- A. Risks Relating to the Group's Business Environment;*
- B. Risks Relating to the Group's Projects and Consultancy Operations;*
- C. Risks Relating to the Financial Position and Borrowings of the Group;*
- D. Risks Relating to the Bonds as Debt Instrument; and*
- E. Risks Relating to the Intercreditor Agreement and the Transaction Security.*

While the categories are not presented in any order of materiality, within each risk category the most material risks, in the assessment of the Issuer, taking into account the negative impact on the Issuer and the probability of their occurrence, are 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 materialization.

The capitalized words and expressions in this section shall have the meanings defined in "Terms and Conditions of the Bonds".

### **A. Risks relating to the Group's Business Environment**

***Disruptions in the global market and adverse economic developments, such as effects due to the COVID-19 pandemic, may have adverse effects on the Group's business and results of operations.***

As an international engineering, technical documentation and digital solutions services company with a global reach, the Group's business is subject to inherent risks arising from general economic conditions. A period of economic slowdown or recession including, but not limited to, business and consumer confidence, unemployment, household disposable income, foreign exchange, counter-party risk, inflation, the availability and cost of credit, the liquidity of global financial markets or market interest rates may reduce the level of demand for the services of the Group. As a result, adverse changes in economic conditions could materially adversely affect the business prospects, results of operations and financial condition of the Group, which in turn may reduce the Group's revenues.

Since more than half of the Group's revenue is generated from global energy and power sector, the Group is more sensitive to a global decline in the energy and power sector compared to its other sectors. The recent global interest and modernisation of the energy and power industry has benefitted the Group's operations and the Group considers it to be well positioned towards renewables as some of its key customers are major suppliers of primary transition energy sources and back-up generation technologies such as gas power. However, there is a risk that the global trend towards renewables is reversed or that the future market adaption anticipated by the Group is not in line with the actual developments and as a result, the Group's revenue could be adversely affected.

Furthermore, the coronavirus (“COVID-19”) outbreak is currently having an indeterminable adverse impact on the world economy. The COVID-19 outbreak has become a widespread public health crisis, which may in turn result in protracted volatility in international markets and/or result in a global recession as a consequence of disruptions to travel and retail segments, tourism, and manufacturing supply chains or by reason of reduced demand generally. In particular, in February to April 2020 the COVID-19 outbreak caused stock markets worldwide to lose significant value and impacted economic activity worldwide. The trading price of the Bonds may therefore be adversely affected by the economic uncertainty caused by COVID-19. Furthermore, there is a risk that the working from home environment as norm, may affect quality levels, project timings and client accessibility to the Group as a result of the Group not being able to benefit from internal office procedures put in place and restrictions on meeting colleagues and clients in person. Such failures may adversely affect the operations of the Group and its results of operations. This risk may be elevated in terms of the Group’s operations in India, where approximately half of the Group’s fulltime employees are located and where the government from time to time imposes lockdown procedures. However, the Group considers the risk being diminished during the last months due to proceeding vaccinations of the Group’s employees. In addition, the Group has been able to decrease the negative impacts of working from home environment by taking the quality matters and project timings as well as working methods in focus. Even though the Group currently considers the risk diminished, the COVID-19 situation is still uncertain and there can be no assurance that the COVID-19 outbreak will not have further adverse effects on the Group’s business in the future.

Moreover, due to COVID-19, there is a risk that the Group’s clients may choose not to enter into new agreements or to renew existing agreements. There is also a risk that the global downturn could affect the liquidity position of existing customers, which in turn may require such customers to postpone payments or cause defaults under the agreements. In addition, there is a risk that the Group’s customers postpone planned and new projects in order to decrease their cost base. Accordingly, the impact of the COVID-19 crisis on the Group’s current and future clients could have an adverse effect on the Group’s earnings and results of operations.

In the event of financial turmoil affecting the banking system and financial markets, additional consolidation of the financial services industry or significant financial service institution failures, there could be a new or incremental tightening in the credit markets, low liquidity, and extreme volatility in fixed income, credit, currency, and equity markets. This could have a number of effects on the Group’s business, including the insolvency or financial instability of suppliers or their inability to obtain credit to finance development and/or delays in deliveries, inability of future customers to obtain credit to finance purchases of the Group’s products or services, a reduction in the investment activities among existing as well as potential new customers, and failure of potential derivative counterparties and other financial institutions, all of which would have an adverse effect on the Group’s results of operations and financial condition.

***The Group operates in, and has competitors on, a local, regional and global levels and increased consolidation in the market may disrupt the competitive environment.***

According to the Issuer’s management, the Group’s key competitors can be divided into three segments; local competitors, regional competitors and global competitors. The competition can further be divided into the different project stages: feasibility studies, concept design, basic engineering, detailed engineering and installation commissioning and maintenance. Some of the Group’s competitors offer services at a global scale within all project stages as global power houses while others have different focuses on regional operations and differentiate as to services provided in relation to the different project stages. The Group offers its services across the globe at all project stages, but the core focus is in detailed engineering and technical documentation. The Group currently has a large number of competitors in terms of regional and project stage service offerings, and new companies offering similar services as the Group as well as increased consolidation in the market among competitors may increase competition. There is a risk that increased competition will lead to increased costs with regards to seeking out new customers, as well as retaining current customers. Furthermore, some of the Group’s key competitors have greater financial resources than the Group and may benefit from considerable financing, marketing and personnel resources as well as brand-name recognition. The Group is dependent upon being able to distinguish itself and to compete with its competitors in terms of activities such as launching new service concepts, innovations in pricing, improvements in promotional and marketing activities and business strategies. The Group’s possibility to compete also depends upon the Group’s ability to anticipate future market changes and trends and to rapidly react on existing and future market needs. If the Group fails to meet the competition from new and existing companies or fails to react to market changes or trends, there is a risk that this will have a material adverse effect on the Group’s business, earnings and financial position.

***The Group may not be able to utilize, develop, integrate or acquire new or alternative technologies as they are developed in the market which could adversely affect the Group's market position.***

The Group operates in a market where the products and services are characterised by rapidly changing technology. The market for engineering and technical documentation services has witnessed in the past and continues to witness the emergence of, and an increased demand for, new technologies and software. There is a risk that the Group may not have sufficient means to develop, integrate or acquire such new technologies and that the emergence of alternative technologies and software that are superior, more efficient or otherwise more attractive than those the Group utilises and provides, which could lead to a decreased demand for the Group's services and therefore adversely affect the Group's market position. Should the Group's competitors be able to react faster, more efficiently or on more attractive terms than the Group to new technologies and changing customer requirements, it could lead the Group losing a part of its market share which would in turn result in lower net sales. Should the Group fail to utilize, develop, integrate or acquire new or alternative technologies, it could have an adverse effect on the Group's business, earnings and financial position.

Furthermore, the rapid technological development on the market may also shorten the life cycle of certain products and services. There is thus a risk that the Group e.g. will not be able to fully capitalise on investments made in new products and services due to unforeseen rapid changes in the market, the demands from customers and the emergence of new products and services. Should this risk materialise, it will have an adverse effect on the Group's business, earnings and financial position.

#### **B. Risks Relating to the Group's Projects and Consultancy Operations**

***The Group's project execution and consulting services may not be able to meet the client's expectations resulting in liability claims and major costs for the Group.***

In providing its services the Group has a great responsibility to supply services and functions which meets the client's requirements as well as expectations as to quality, performance, timing and, if applicable, compliance with legislation. There is a risk that project execution is deemed to be lacking in the above-mentioned categories by the clients and that disputes arise with respect to incorrect or poor execution. Other than disputes, the Group may be responsible for rectifying any errors or shortcomings of the deliverables which may result in lower earnings for the relevant project as well as limiting the relevant employees or project group from engaging in new projects ultimately affecting the Group's earnings. Due to the nature, scope and large size of certain projects, potential liability claims by customers due to e.g. errors, negligence or misconduct in the execution of the deliverables could potentially lead to major costs for the Group, which would have a material adverse effect on the Group's financial position. Such a claim has been presented against one of the Group's French subsidiaries and this claim may have an adverse effect on the Group's financial position (see also "*Litigation may result in significant costs for the Group*"). In addition to this, there is a reputational risk connected to incorrect and poor execution of projects which, if materialised, could affect the Group's ability to sell its services.

Furthermore, there is a risk that, in performing its services, the Group may be affected by disruptions such as strikes or other labour conflicts, technical breakdowns, difficult weather conditions, natural disasters, data infringements, and other disruptions in the Group performance. For instance, the Group has in the past experienced disruptions in relation to its business in India due to severe weather conditions, which has once caused a short-term interruption to local operations. Any of these disruptions could have an effect on the individual projects or limit the Group from engaging in new projects as clients may choose a competitor over the Group in such a situation, which would have an adverse effect on the Group's business, financial position and results of operations.

***Estimates for fixed price contracts may be inaccurate and the Group may fail in resource allocation.***

For the financial year ended 31 December 2020, approximately 70 per cent. of net sales comprised of work charged by the hour and 30 per cent of net sales comprised of fixed and target price projects. There is a risk that the estimates for fixed price contracts and components for the agreed scope prove to be inaccurate, which will cause such projects to be operated at a loss for the Group. Depending on the size and scope of a project, this risk may be accentuated with projects of higher complexity as the risk for a non-comprehensive/lacking estimate increases with such projects or in projects which unexpectedly span over longer period of time than planned due to inherent difficulty in making predictions about the future and project development in such projects prior to projects being launched. There is a risk that the Group incorrectly forecasts profits and resource allocation in their contracts with a fixed price component which may ultimately have an adverse effect on the Group's revenues and financial position.

***The Group may not be able to maintain sufficient utilisation of its employees.***

The Group is dependent on being able to maintain a high utilisation of its employees as well as balanced hourly rates and project pricing in order to be profitable. The main source of income for the Group are the individuals performing the Group's consultancy services. Should the Group not be able to successfully allocate its personnel efficiently, the personnel with no to little active projects will be an operating cost for the Group while not generating any income. Further, assessing necessary resources to allocate to its projects and the available resources at hand is important in order to ensure project efficiency and project delivery. The Group utilises in-house engineering delivery centres and a human resources database for these purposes. However, there is a number of factors which may affect utilisation within the Group, such as the Group's ability to retain current projects and obtain new projects, in-house monitoring of employee utilisation, the employees own assessments of their utilisation and reporting of utilisation. Errors relating to any of these factors may affect how the Group allocates resources to its projects, such as understaffing or overstaffing, and erroneous allocation could adversely affect the Group's business, results of operations and financial position as optimal utilisation is not achieved. Any negative change in the Group's capacity would have a direct adverse effect on the the Group's revenue. Further, as a majority of the Group's sales and invoices are per an hourly rate, balanced pricing of its services is key factor and the price level the Group is able to charge for its consultants has a major impact on the Group's results of operations.

***Failure in recruiting qualified personnel, loss of key individuals at management level or not being able to relocate employees between jurisdictions may disrupt the Group's business.***

With an engineering and technical documentation consultancy operation with approximately 1,000 employees, the Group is dependent on the knowledge, experience and commitment of its employees. The competition for qualified personnel in the engineering industry has generally been intense in all jurisdictions the Group operates in but mainly affects the Group in Finland and India where the majority of the Group's employees are located. It is crucial for the development and operation of business that the Group is able to continue to attract and retain all personnel necessary. If the Group fails to hire and retain adequate personnel, this may have a material adverse effect on the Group's business, earnings and financial position.

The Group is also dependent on key individuals at management level. There is a risk that the Group loses key individuals, resulting in adverse effects on the Group's business, earnings and financial position.

In addition to the aforementioned, the Group is also to some extent dependent on being able to relocate employees between jurisdictions in order to efficiently utilise its workforce. In particular, the possibility to obtain relevant labour visas across the globe may be restricted and dependent on the local government administration from time to time. Furthermore, there may be restrictions on labour immigration and additional restrictions may be introduced in the future. Should the Group not be able to move its employees to the relevant geographical markets in a sufficient manner, it may have an adverse effect on the Group's business, earnings and financial position.

***The Group is dependent on its largest customers and the framework agreements entered into with its key customers.***

The Group is dependent on its largest customers. Major part of the Group's net sales is derived from the Group's 10 largest customers, while sales to the Group's largest customer accounted for a major proportion of the Group's net sales in the financial year ended 31 December 2020. Thus, a material share of the Group's net sales is accumulated by a few customers. Should the Group not be able to retain its largest customer(s), should a material decrease in the demand from its largest customer(s) occur, or should the Group otherwise not be successful in attracting new work, there is a risk that this will have a material adverse effect on the Group's business, earnings and financial position.

Further, the Group has entered into framework agreements with some of its key customers. One such framework agreement for one of the the Group's largest client contain provisions on exclusivity limiting the Group from providing its services to competitors of the key client within certain fields of business while the key client has no exclusivity undertaking towards the Group and may engage in business relationships with the Group's competitors. There is a risk that the client starts to engage the Group's competitors to a larger extent than in the past, thus causing a decrease in demand for the Group's services which cannot be performed to other potential clients, which would have an adverse effect on the Group's revenues and financial position.

Should a framework agreement be terminated for any reason, the Group may have difficulties finding new clients purchasing services to the same degree as clients under the framework agreements which could have a material adverse effect on the Group's business, results of operations and financial position. Further, as a few key clients represent a large portion of the Group's net sales the Group is exposed to counterparty risk towards these entities. Should any of these clients become insolvent, bankrupt, cease part of or their complete operations in which the Group offers its services this would have a material adverse effect on the Group's net sales.

***The Group's strategy is reliant on future acquisitions and divestments, and the Group may not be able to identify risks related to such transactions.***

The Group is continuously seeking new opportunities for acquisitions in order to grow and expand its operations, both in the geographical markets where the Group is already operating and in new geographical markets where the Group is currently not operating. Acquisitions are, therefore, currently a part of the Group's strategy and should the Group not be able to identify attractive target companies to acquire or make such acquisitions on favourable terms, it would have an adverse effect on the Group's future growth and, in turn, on the Group's business and financial condition.

The Group has made certain acquisitions in the past. There is a risk that there are unidentified risks in recently acquired companies which are unknown to the Group and that such unidentified risks will have an adverse effect on the Group's business, earnings or financial position.

Future acquisitions may also include undertakings by the Issuer to pay additional purchase price to the sellers. Such additional payments may have adverse effects on the financial position of the Group. Further, the Group is currently exploring the possibility to divest the operations of one of its French subsidiaries, Citec Engineering France s.à r.l by closing down operations of this company or put the company under dormant status. Consequently, the same risks as mentioned above could apply from a seller perspective in connection with such a divestment and the Group could end up liable due to breaches of warranty, insurance issues or other, including financial, consequences turning out unfavourably for the Group.

There is a risk that future acquisition activities will present certain financial, managerial and operational risks, including difficulties when integrating or separating businesses with existing operations and challenges presented by acquisitions which does not achieve sales levels and profitability that justify the investments made by the Group. If future acquisitions are not successfully integrated, there is a risk that the Group's business, financial condition and results of operations will be adversely affected. Also, there is a risk that future acquisitions will result in dilutive issuances of the Group's equity securities, the incurrence of debt, contingent liabilities, amortisation costs, impairment of goodwill or restructuring charges, any of which will have an adverse effect on the Group's business, earnings or financial position.

***The Group operates in emerging markets which may be subject to sanctions, trade restrictions, expropriation, enforcement of foreign exchange restrictions and changes in laws and enforcement mechanisms.***

The Group has operations in seven jurisdictions and offices in six jurisdictions. The Group has customers worldwide, including in a number of emerging markets including, but not limited to, Israel, Jordan, Saudi-Arabia and India. These markets are subject to greater political, economic and social uncertainties than countries with more developed institutional structures, and the risk of loss resulting from changes in laws or economic or social upheaval and other factors exists. Among the more significant risks of operating and investing in emerging markets are those arising from the introduction of trade restrictions, expropriation, enforcement of foreign exchange restrictions and changes in laws and enforcement mechanisms.

Furthermore, because of the businesses of the Group's clients, the Group provides services which are typically subject to investments in emerging markets. Even though the Group monitors compliance with existing international sanctions, any failure in the Group's monitoring leading to operations being conducted in breach of sanctions would, in addition to constituting an event of default under the Group's financing arrangements, have a material adverse effect on the Group in terms of its brand, blacklisting and non-payment for services rendered which ultimately would affect the Group's financial position and results of operations.



***The Group operates globally which increases the risk of deficiencies with internal processes and corporate governance.***

As the Group operates a multinational business with offices in six jurisdictions and exporting its services to approximately 120 different jurisdictions, global operations of these proportions are subject to operational risks. Operational risks arise from human errors and system faults, insufficient or defective internal procedures or external events. Operational risks also include risk pertaining to reputation and strategy as well as legal risk and the risk of fraudulent acts of employees and customers. Deficiencies or errors in internal processes and control routines, human errors, or external events that affect operations may occur. This could result in an adverse effect on the Group's business, results of operations and financial position.

The Group relies on its employees to carry out the business of the Group in accordance with its internal corporate policies for governance and compliance. There is a risk that the Group's employees violate such internal policies, which may expose the Group to risks such as being in breach of agreements, entering into contradictory agreements, violating applicable laws and regulations etc. Should any of the risks described above materialise, it may have an adverse effect on the Group's operations, earnings and financial position.

***The Group is dependent on uninterrupted operation of information technology infrastructure.***

The Group depends on information technology to manage critical business processes, including sales, administrative functions and in providing its engineering services solutions 3DEncore, 3DLive, VR Parametric Engineering and Robotic Process Automation. These processes collect, interpret and distribute business data and communicate internally and externally with employees, suppliers and customers. For example, the Company has developed the 3DEncore solution in conjunction with one of its key customers. 3DEncore is a web-based solution that provides its customers a centralised real-time interface to site and plant models and contents. Furthermore, the Group is dependent on external IT software suppliers in order to carry on its business.

Disruptions or failure of any of the above-mentioned information technology systems as well as general business solutions operated by the Group and potential claims from former employees or other third parties claiming their rights to IPRs, are possible and could have a material negative impact on the Group's operations and also its customers operations. Failure of the Group's information technology systems could cause plant errors, technology errors, manufacturing errors, processing errors and loss of customers as well as sales, and could have material negative consequences for the Group, its employees, and those with whom the Group does business. Furthermore, there is a risk that disruptions may occur in the IT software solutions provided by third parties or that any such third party will stop delivering their software and/or services to the Group. Should any of the aforementioned risks materialise, it would materially adversely affect the Group's business, earnings and financial position.

***The Group's operations may not be wholly covered by its insurances.***

As a consultancy-based operation, errors on the Group's part in, for instance, project execution may be hard to insure and it may prove difficult to make claims under such insurance. There is a risk that the scope of the coverage will not cover all risks that materialise within the Group's business resulting in the total amount of the Group's losses not being compensated by the Group's insurance policies in case of damages. Furthermore, there are certain types of losses that are not possible to insure and will, thus, not be covered by the Group's insurance policies. Hence, there is a risk that the Group will be required to pay for any losses, damages and liabilities leading to adverse effects on the Group's business, earnings or financial position.

***The Group is dependent on its reputation and negative publicity could have an adverse effect on its business.***

The Group is a well-established operation with high brand recognition within its industry as consequence of its successful operations over the years. Negative publicity or announcement relating to the Group may, regardless of whether justified, deteriorate the brand's value and have a negative effect on the Group's operations, financial position, earnings and results. This would particularly affect the Group should the Group lose any of its key customers as these represent a large portion of the Group's net sales but also act as reference customers and provide business cases which may form part of the Group's marketing material.

***Changes in legislation or failure in compliance could adversely affect the Group's business operations and increase its costs.***

The Group has offices in 6 different jurisdictions and exports its services to approximately 120 different jurisdictions. A global reach of these proportions presents legal challenges and various pieces of legislations and regulations (including, without limitation, competition regulations, land law, environmental, data protection and privacy, employment and immigration regulations and taxes) that affect the business conducted by the Group. New or amended legislation and regulations could result in unexpected costs or impose restrictions on the development of the business operations which could have an adverse effect on the Group's business, operations, earnings, results and financial position.

For example, as the Group operates in several different jurisdictions, there is a risk that the Group's or its advisers' interpretation and the Group's application of laws, provisions and judicial practice has not been, or will in the future not be, correct or that such laws, provisions and practice will be changed, potentially with retroactive effect. If such an event should occur, the Group's e.g. tax liabilities can increase, which would have a negative effect on the Group's results and financial position. Revisions to tax regulations could for example comprise denied interest deductions, additional taxes or expansion on currently existing tax basis and/or tax losses carried forward being forfeited, which could affect the Group's results and financial position in the future.

***Litigation may result in significant costs for the Group.***

As at the date of this Prospectus, the Group is involved in one larger dispute where a claim in a maximum amount of EUR 2 million is being made against one of the Group's subsidiaries in France. Due to lack of technical information from the claimant, the Group's management has not been able to accept the merit of the claim itself and, as sufficient evidence on the correctness of the claimed amount has not been presented, the Issuer's management considers the claimed amount to be unproven. Even though, as at the date of this Prospectus, there can be no assurance of the outcome of the claim, there remains a risk that the Group would be held liable for the entire amount which could have a materially adverse effect on the Group's financial position. The Group has insurance policies in place to cover the expenses of litigation and a potential unfavourable outcome of the dispute. However, there is a risk that the insurance company deems the insurance coverage to not apply for the dispute in question, which would cause the Group to carry the complete cost in case of an unfavourable outcome. Further, there is a risk that the Group will become involved in disputes or subject to other litigation in the future. If so, there is a risk that eventual negative outcomes of such disputes will have a negative effect on the Group's business, earnings or financial position.

**C. Risks Relating to the Financial Position and Borrowings of the Group**

***The Group's operating income may not be sufficient to service debt under the Bonds.***

The Company's ability to service its debt under the Bonds will depend upon, among other things, the Group's future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, some of which have been discussed above, or of which are outside the Group's control. It should be noted that, pursuant to the Terms and Conditions of the Bonds, as long as the Bonds are outstanding the Group's Net Interest Bearing Debt to EBITDA must not exceed 5.00x from the First Issue Date and this level is decreased by 0.25x for each year during the second and third year of the tenor of the Bonds. Further, the Group may not incur additional debt under the Bonds (other than Permitted Debt) unless it meets the Incurrence Test which is met if the Net Interest Bearing Debt to EBITDA does not exceed 3.00x from the First Issue Date and this level is decreased by 0.25x for each year during the third and fourth year of the tenor of the Bonds.

Currently, the Group has a non-recourse factoring facility arrangement in place under which arrangement the Group sells a substantial amount of receivables every month. Through the arrangement, the Group targets to secure its cash flow and reduce its net working capital needs. If, for example, due to a change in legislation, or for any other reason, such factoring facility or a similar receivables selling arrangement would no longer be available, it would have a significant negative effect on the Group's networking capital.

Furthermore, the Bonds are subject to mandatory amortisations on each Interest Payment Date. There is a risk that the Company will not have sufficient funds at the time of each Interest Payment Date to make the required amortisation of the Bonds, which could adversely affect the Company and thus have an adverse effect on the Bondholders possibilities to receive payments under the Bonds.

It is uncertain whether the Group's operating income will be sufficient to service its current or future indebtedness. If the Group's operating income will not be sufficient to service its current or future indebtedness, there is a risk that the Group will be forced to take actions such as reducing or delaying its business activities, make acquisitions, investments or capital expenditures, sell assets, or restructure or refinance its debt and/or seek additional equity capital, and that the Group will not be able to affect any of these remedies on satisfactory terms, or at all.

***The Group is exposed to interest risk.***

Upon the issue of the Bonds, the Group incurred approximately SEK 290 million in debt on a Group level, and may in compliance with the limits set out in the Terms and Conditions of the Bonds further incur financial indebtedness to finance its business operations. Such financing may generate interest costs which may be higher than the gains produced by the investments made by the Group. Borrowing money to make investments will increase the Group's exposure to the loss of capital and higher interest expenses. Further, the Group is exposed to changes in interest rates through its financing agreements that carry floating rates of interest. Interest rates are affected by a number of factors that are beyond the control of the Group, including but not limited to the interest rate policies of governments and central banks. An increase in interest rates would entail an increase in the Group's interest obligations, which could have a negative effect on the Group's operations, financial position, earnings and results.

***Exchange rate fluctuations may affect the Group's financial condition or results of operations.***

The Group reports in EUR but has other currencies as functional currencies as part of its operations in 7 different jurisdictions, for instance SEK, NOK and the Indian rupee. As exchange rates fluctuate, these fluctuations lead to a transaction exposure as the transactions made in other currencies than the reporting currency needs to be recalculated into the reporting currency. There can be no assurance that the Group has sufficient derivatives in place to provide adequate protection against foreign exchange losses. The Group currently has hedging arrangements in place in respect of the Indian rupee and, at the date of this Prospectus, the open position is in an amount of approximately EUR 4.2 million. There is a risk that foreign exchange rates will have an adverse effect on the Group's earnings or financial position.

**D. Risks Relating to the Bonds as Debt Instrument**

***The Bonds carry credit risks.***

An investment in the Bonds carries a credit risk relating to the Company and the Group. The investor's ability to receive payment under the Terms and Conditions of the Bonds is therefore dependent upon the Company's ability to meet its payment obligations, which in turn is largely dependent upon the performance of the Group's operations and its financial position. The Group's operations and financial position are in turn affected by several factors, a number of which have been discussed above. An increase in perceived credit risk is likely to cause the market to charge the Bonds a higher risk premium which would have an adverse effect on the market value of the Bonds. Another aspect of credit risk is that any deterioration in the financial position of the Company may entail lower perceived credit-worthiness and the possibility for the Company to receive financing at the maturity of the Bonds may be impaired. There is a risk that the Group's financial position and the market value of the Bonds is affected by aforementioned factors, some of which are outside of the Group's control.

***The Issuer's majority shareholders' interests may not align with the interest of the Bondholders.***

Sentica Buyout III Ky and Sentica Buyout III Co-Investment Ky, together directly control approximately 79 per cent. of the shares in the Issuer. Said shareholders' interests may conflict with those of the Bondholders, particularly if the Group encounters difficulties or is unable to pay its debts as they fall due. Majority shareholders have legal power to control a large amount of the matters to be decided by vote at a shareholder's meeting. For example, a majority shareholder will have the ability to elect the board of directors of the Issuer. Furthermore, a majority shareholder may also have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in their judgment, could enhance their equity investments, although such transactions might involve risks for the bondholders. There is nothing that prevents a shareholder or any of its affiliates from acquiring businesses that directly compete with the Group. If such an event were to arise, it would have a significant negative effect on the Group's operations, earnings, financial position and results. Pursuant to the Terms and Conditions of the Bonds, if a change of control event occurs, the Bondholders have, however, a right of prepayment of the Bonds (put option). There is thus a risk that the Issuer does not have enough liquidity to repurchase the Bonds if the

Bondholders use their right of prepayment (see further under section “*Risks related to early redemption and put options of the Bonds*” below).

***The Issuer is dependent on its subsidiaries to make payments under the Bonds.***

A significant part of the Group’s assets and revenues relates to the Company’s wholly-owned subsidiaries. Accordingly, the Company is dependent upon receipt of sufficient income related to the operation of and the ownership in such entities to enable it to make payments under the Bonds. The Company’s subsidiaries are legally separate and distinct from the Company and have no obligation to pay amounts due with respect to the Company’s obligations and commitments, including the Bonds, or other than contractually based on intra-Group agreements, to make funds available for such payments. The ability of the Company’s subsidiaries to make such payments to the Company is subject to, among other things, the availability of funds. Should the Company not receive sufficient income from its subsidiaries, the Company’s ability to make payments under the Terms and Conditions of the Bonds would be adversely affected.

***The Bonds are structurally subordinated in the event of insolvency of subsidiaries.***

All material assets of the Group are owned by, and all revenues are generated in, the subsidiaries of the Company. The subsidiaries are legally distinct from the Company and have no other than contractually based on intra-Group agreements, obligation to make payments to the Company of any profits generated from their business. The ability of the subsidiaries to make payments to the Company is restricted by, among other things, the availability of funds, corporate restrictions and legal restrictions.

If the Company is not able to receive funds by way of dividends or otherwise from one or more subsidiary, this would affect the Company’s ability to service its payment obligations under the Bonds which poses a risk and would have a material adverse effect on the Company’s business, financial position, earnings and result.

The Group or its assets may not be protected from any actions by the creditors of any subsidiary of the Group, whether under bankruptcy law, by contract or otherwise. In addition, defaults by, or the insolvency of, certain subsidiaries of the Company may result in the obligation of the Company to make payments under guarantees in respect of such subsidiaries’ obligations or the occurrence of cross defaults on certain borrowings of the Group.

***The Company may incur some additional financial indebtedness and provide additional security.***

Subject to certain limitations from time to time, the Company may incur additional financial indebtedness and provide additional security for such indebtedness. If security is granted in favour of a third-party debt provider, the Bondholders will, in the event of bankruptcy, re-organisation or winding-up of the Company, be subordinated in right of payment in respect of the assets being subject to security provided to such third-party debt provider. In addition, if any such third-party debt provider holding security provided by the Group were to enforce such security due to a default by any company within the Group under the relevant finance documents, there is a risk that such enforcement could have a material adverse effect on the Group’s assets, operations and, ultimately, the financial position of the Bondholders.

***The value of the Bonds is dependent on the level of market interest rate.***

The Bonds’ value depends on several factors, one of the most significant over time being the level of market interest rate. The market interest may be subject to significant fluctuations and the degree to which such interest rates may vary is uncertain. Investments in Bonds involve a risk that the market value of the Bonds may be adversely affected by changes in market interest rates or interest rate expectations. The Bonds have a floating rate structure based on STIBOR (3 months) plus a fixed margin per annum. Thus, the interest rate is to a certain extent adjusted for changes in the level of the general interest rate. There is a risk that an increase of the general interest rate level will adversely affect the value of the Bonds. The general interest rate level is to a high degree affected by the Swedish and the international financial development and is therefore outside the Group’s control.

***Changes in Benchmark Regulation may adversely affect the relevant benchmarks of the Bonds.***

Interest payable on the Bonds will be calculated by reference to STIBOR. The process for determining STIBOR and other interest-rate benchmarks is subject to an on-going reform process that has already resulted in a number of legislative acts and other regulations. Some of these acts and regulations have already been implemented whilst some are set to be implemented in the near future. The most extensive initiative in this respect to date is the

Benchmark Regulation (Regulation (EU) 2016/1011 of the European parliament and of the council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014). The Benchmark Regulation came into force on 1 January 2018. The Benchmark Regulation addresses the provision of benchmarks, the contribution of input data to benchmarks and the use of benchmarks within the European Union. The effect of the Benchmark Regulation cannot yet be fully determined due, among other things, to the limited time period that the regulation has been applicable. However, there is a risk that the Benchmark Regulation will affect how certain benchmarks are determined and how they develop in the future. This could, for example, lead to increased volatility regarding some benchmarks. A further potential risk is that increased administrative requirements, and resulting regulatory risk, may discourage stakeholders from participating in the production of benchmarks, or that some benchmarks cease to be provided. If this would happen in respect of a benchmark that is used for the Bonds, it could potentially have negative effects for the bondholders.

***Risks relating to the listing of the Bonds and the liquidity, including the market value of the Bonds.***

The Company has undertaken to ensure that the Bonds are listed on a regulated market within 12 months after the first issue date of the Bonds and Frankfurt Stock Exchange Open Market no later than 60 days after the first issue date (with an intention to complete such listing within 30 days). The Bonds are listed on Frankfurt Stock Exchange Open Market and the Bonds are expected to be admitted to trading on the corporate bond list of Nasdaq Stockholm on or about 8 December 2021. However, there is a risk that the Bonds will not be admitted to trading on the corporate bond list of Nasdaq Stockholm. Further, even if securities, including the Bonds, are admitted to trading on a regulated market, there is not always active trading in the securities. In general, trading volumes may be low in respect of securities, such as the Bonds. Thus, there is a risk that there will not be a liquid market for trading in the Bonds or that this market will be maintained. This may result in that the Bondholders cannot sell their Bonds when desired or at a price level which allows for a profit comparable to similar investments with an active and functioning secondary market. Lack of liquidity in the market may have a negative impact on the market value of the Bonds.

Furthermore, the market value of the Bonds could be subject to significant fluctuations in response to actual or anticipated variations in the Group's operating results and those of its competitors, adverse business developments, changes to the regulatory environment in which the Group operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Bonds, as well as other factors, some of which have been discussed above. In addition, in recent years the global financial markets have experienced significant price and volume fluctuations, which, if repeated in the future, could adversely affect the market value of the Bonds without regard to the Group's operating results, financial position or prospects. In addition, the nominal value of the Bonds may not be indicative compared to the market price of the Bonds if they are admitted for trading on a regulated market. Thus, there is a risk that the market value of the Bonds will be affected by any of the foregoing factors, if they were to materialise.

It should also be noted that during a given time period it may be difficult or impossible to sell the Bonds (at all or at terms found reasonable by the Bondholder(s)) due to, for example, severe price fluctuations, close down of the relevant market or trade restrictions imposed on the market or lack of liquidity.

***The Company may redeem the Bonds before the maturity (call option) and the Company may be obliged to redeem the Bonds upon certain events (put option).***

As stipulated in the Terms and Conditions of the Bonds, the Company has reserved the possibility to redeem all outstanding Bonds on any business day before the final redemption date. If the Bonds are redeemed before the final redemption date, the Bondholders have the right to receive an amount equal to the applicable call option amount (together with accrued but unpaid interest). However, there is a risk that the market value of the Bonds, at the time of the redemption, is higher than the redemption amount and/or that it may not be possible for Bondholders to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Bonds and will only be able to do so at a significantly lower rate. It is also a risk, in the event of redemption financed by issuance of a new market loan, that any Bondholder is not able to reinvest the redemption proceeds in the new market loan since such new market loan is subject to the Company's discretionary allocation.

According to the Terms and Conditions of the Bonds, the Bonds are subject to repurchase at the option of each Bondholder (put options) upon a Change of Control Event or a Delisting Event. There is, however, a risk that the Company will not have sufficient funds at the time of such repurchase to make the required repurchase of the

Bonds which could adversely affect the Company and thus all Bondholders and not only those that choose to exercise the option.

***The Terms and Conditions may be subject to amendments and decisions by the Bondholders may be made with requisite majority***

The Terms and Conditions of the Bonds include certain provisions regarding bondholders' meetings and written procedure. Such meetings may be held and such procedures carried out in order to resolve on matters relating to the Bondholders' interests. The Terms and Conditions of the Bonds allow for stated majorities to bind all Bondholders, including Bondholders who have not taken part in the meeting or the procedure and those who have voted differently from the required majority at a duly convened and conducted bondholders' meeting or a procedure. A Bondholder may, for instance, be bound by a majority's decision to accept a change of the applicable interest rate, a decision to accept a change of the final maturity date or a decision to accept a change of the transaction security and/or guarantees. Consequently, there is a risk that the actions of the majority in such matters will impact certain Bondholders' rights in a manner that is undesirable for some of the Bondholders.

**E. Risks related to the Intercreditor Agreement and the Transaction Security**

***Risks related to the intercreditor arrangements.***

The Group has a super senior revolving credit facility (the "**Super Senior RCF**") in place which will, in accordance with the terms of an Intercreditor Agreement (as defined below), rank senior to the Bonds. Further, the Issuer may incur additional financial indebtedness which will rank *pari passu* with the Bonds. The relation between certain of the Issuer's creditors (jointly the "**Secured Creditors**") and the security agent are governed by an intercreditor agreement (the "**Intercreditor Agreement**"). Although the obligations under the Bonds and certain other obligations of the Group towards the Bondholders and the Secured Creditors will be secured by first priority security, there is a risk that the proceeds of any enforcement sale of the security assets will not be sufficient to satisfy all amounts then owed to the Secured Creditors. Furthermore, if the Issuer issues subsequent Bonds, the security position of the current Bondholders may be impaired.

The security agent will in accordance with the Intercreditor Agreement in some cases take instructions from a super senior representative under the Super Senior RCF. There is a risk that the security agent and/or a super senior representative under the Super Senior RCF will act in a manner or give instructions not preferable to the Bondholders. In addition, the security agent will in some cases take instructions from a senior representative, being those senior creditors whose senior debt at that time aggregate to more than 50 per cent. of the total senior debt. If the outstanding senior debt towards other senior creditors than the Bondholders exceed the obligations under the Bonds, the Bondholders will therefore not be in a position to control the enforcement procedure.

If the outstanding obligations of the Group towards other Secured Creditors than the Bondholders increase, there is a risk that the security position of the Bondholders is impaired. Furthermore, there is a risk that the security will not at all times cover the outstanding claims of the Secured Creditors.

The Intercreditor Agreement also contains provisions regarding the application of proceeds from an enforcement of security where any agent will receive payments first, secondly any creditor under any super senior debt (including liabilities under super senior hedges), thirdly any creditor pro rata under any senior debt (including the bondholders) and lastly any creditor under any shareholder, intercompany and subordinated debt. There is a risk that the enforcement proceeds will not be sufficient in order for the Issuer to satisfy the waterfall provisions above.

***The transaction security may be insufficient to cover all the obligations secured thereby and an enforcement of the transaction security may be subject to mandatory law.***

Although the Company's obligations towards the investors under the Bonds are secured by pledges over (i) the shares in the Issuer and in each Guarantor, (ii) business mortgage certificates in Citec Group Oy Ab, Citec Oy Ab and Citec AB and (iii) any current and future material intra-group loans granted by the Issuer, it is not certain that the proceeds of any enforcement sale of the security assets would be sufficient to satisfy all amounts then owed to the Bondholders.

The Bondholders are represented by Nordic Trustee & Agency AB (publ) as security agent and the agent (the "**Security Agent**" or the "**Agent**", as applicable) in all matters relating to the transaction security. There is a risk that the Security Agent, or anyone appointed by it, does not properly fulfil its obligations in terms of perfecting,

maintaining, enforcing or taking other necessary actions in relation to the transaction security. Further, the transaction security is subject to certain hardening periods during which times the Bondholders do not fully, or at all, benefit from the transaction security.

The Security Agent is entitled to enter into agreements with members of the Group or third parties or to take any other action necessary for the purpose of maintaining, releasing or enforcing the transaction security or for the purpose of settling, among other things, the Bondholders' rights to the security.

If a subsidiary, which shares have been pledged in favour of the Bondholders, is subject to any foreclosure, dissolution, winding-up, liquidation, recapitalisation, administrative or other bankruptcy or insolvency proceedings, the shares that are subject to such pledge may then have limited value because of all the subsidiary's obligations must first be satisfied, potentially leaving little or no remaining assets in the subsidiary for the Bondholders. As a result, the Bondholders may not recover the full value (or any value in the case of an enforcement sale) of the shares. In addition, the value of the shares subject to pledges may decline over time.

If the proceeds of an enforcement are not sufficient to repay all amounts due under or in respect of the Bonds, then the Bondholders will only have an unsecured claim against the Company and its remaining assets (if any) for the amounts which remain outstanding under or in respect of the Bonds.

Further, the ability of the Security Agent to enforce the transactions is subject to mandatory provisions of the laws of each jurisdiction in which the transaction security is taken. For example, the laws of certain jurisdictions may not allow for an appropriation of certain pledged assets, but require a sale through a public bailiff and certain waiting periods may apply. In addition, any enforcement may be delayed due to any inability to sell the security assets in a timely and efficient manner.

***The guarantees may be insufficient or unenforceable.***

Although the Group's obligations towards the Bondholders under the Bonds are, to a limited extent, guaranteed, there is risk that any enforcement of claims under the guarantees would be insufficient to satisfy all amounts owed to the Bondholders at the time of enforcement. Furthermore, since the guarantors are not completely restricted from granting any additional guarantees, if the guarantors were to guarantee any other obligations, there is a risk that guarantees granted towards the Bondholders would be impaired.

Any guarantees of the Company's obligations under the Bonds from the members of the Group are limited by relevant financial assistance rules and corporate benefit principles. Furthermore, the payment obligations of the Company under the Bonds are structurally subordinated to payment obligations owed to creditors of the subsidiaries of the Company and the subsidiaries of such subsidiaries. The guarantors have unconditionally and irrevocably guaranteed the payment obligations of the Company under the Bonds. The Bonds will accordingly have the benefit of a direct claim on the guarantors but not on all members of the Group.

Also, there is a risk that guarantees granted under the Bonds could be unenforceable or that enforcement of the claims under the guarantees could be delayed according to applicable laws in the relevant jurisdictions. Should claims be unenforceable, delayed or subject to a certain degree of uncertainty, there is a risk that this would have a significant negative effect on the likelihood of the Bondholders receiving the amounts owed to them under the Bonds.

***Transaction security and guarantees are subject to, and limited by, certain corporate benefit limitations and prohibitions of financial support.***

In general, if a limited liability company provides security for another party's obligations without deriving sufficient corporate benefit therefrom, the granting of security will require the consent of all shareholders of the grantor and will only be valid up to the amount the company could have distributed as dividend to its shareholders at the time the security was provided. If no corporate benefit is derived from the security provided, the security will be limited in validity. Consequently, any security granted by a subsidiary of the Company could therefore be limited which would have an adverse effect on the Bondholders' security position and poses a risk to investors. Furthermore, to the extent proceeds from the Bonds were used in the acquisition of the Target Group (as defined in the Terms and Conditions of the Bonds) and not refinancing of existing debt in the Target Group, the security and/or guarantees will not secure the obligations under the Bonds. The limitations with granting of security could have an adverse effect on the Bondholders' security position.

***The rights of the Bondholders depend on the Agent's and Security Agent's actions and financial standing.***

In accordance with the Terms and Conditions, the Agent will represent all Bondholders in all matters relating to the Bonds and the Bondholders are prevented from taking actions on their own against the Company. Consequently, individual Bondholders do not have the right to take legal action to declare any default by claiming any payment from the Company and may therefore lack effective remedies unless and until a requisite majority of the Bondholders agree to take such action. However, there is a risk that an individual Bondholder, in certain situations, could bring its own action against the Company (in breach of the Term and Conditions of the Bonds), which could negatively impact an acceleration of the Bonds or other action against the Company.

To enable the Agent to represent Bondholders in court, the Bondholders and/or their nominees may have to submit a written power of attorney for legal proceedings. The failure of all Bondholders to submit such a power of attorney could have a negative effect on the legal proceedings as for instance the requisite quorum or majority for taking such legal proceedings may not be obtained.

The Agent may further be replaced by a successor Agent in accordance with the Terms and Conditions of the Bonds. 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, there is a risk that the successor Agent would breach its obligations under the Terms and Conditions of the Bonds or that insolvency proceedings would be initiated against it.

Under certain circumstances the Agent and the Security Agent, from time to time, may be exposed to the risk of insolvency or other proceedings that could affect the performance of its duties as the Agent or Security Agent (as applicable).

***Insolvency administrator may not respect the Intercreditor Agreement.***

The Intercreditor Agreement contains provisions for the sharing between the secured parties of the proceeds received from the enforcement of the transaction security. If a secured party receives enforcement proceeds or other payments in excess of what is stipulated by the Intercreditor Agreement, such secured party is obligated to share such proceeds or payments with the other secured parties. However, it is not certain that a secured party or a bankruptcy administrator of such secured party would respect the Intercreditor Agreement which potentially could adversely affect the other secured parties.

***The Intercreditor Agreement and the documents governing the transaction security may be amended without the consent of the Bondholders.***

The Terms and Conditions of the Bonds provide for the Agent to agree to amendments of, and grant waivers and consents in respect of, the Intercreditor Agreement and the transaction security documents without consulting the Bondholders in certain events provided that such amendments or waiver is (i) not detrimental to the interest of the Bondholders in any material respect, or is made solely for the purpose of rectifying obvious errors and mistakes or (ii) is required by applicable law, a court ruling or a decision by a relevant authority. Any of the before-mentioned actions may result in less beneficial rights and more cumbersome obligations for the Bondholders under the Intercreditor Agreement and the transaction security documents.



## **RESPONSIBILITY REGARDING THE PROSPECTUS**

This Prospectus has been prepared by Sentiec Oyj and Sentiec Oyj accepts responsibility regarding the information contained in this Prospectus. Sentiec Oyj declares that, to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect its import.

## **INFORMATION ABOUT THE ISSUER**

The business name of the Issuer is Sentiec Oyj. The Issuer is a public limited liability company incorporated in Finland, established on 19 October 2020, and it is organized under the laws of Finland. The Issuer is registered in the Finnish Trade Register under the business identity code 3163335-3. The Issuer's legal entity identifier code ("LEI") is 743700TT3S2YH4U70Q79. The registered address of the Issuer is PL 109, FI-65101 Vaasa, Finland and its telephone number is +358 6 3240 700. The Issuer is the parent company of the Group.

## **INFORMATION DERIVED FROM THIRD PARTY SOURCES**

This Prospectus contains information about Sentiec's markets and estimates regarding Sentiec's competitive position therein. Such information is prepared by Sentiec based on third-party sources and Sentiec's own internal estimates. In many cases, there is no publicly available information on such market data. Sentiec believes that its estimates of market data and information derived therefrom are helpful in order to give investors a better understanding of the industry in which it operates as well as its position within this industry. Although Sentiec believes that its internal market observations are fair estimates, they have not been reviewed or verified by any external experts and Sentiec cannot guarantee that a third-party expert using different methods would obtain or generate the same results. Further, Sentiec has not 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 no source has been presented, such market data or market estimate is based on Sentiec's management's estimates.

Certain market data and market estimates contained in this Prospectus have been derived from third party sources. 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 any information derived from third-party sources has been accurately reproduced herein 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.

## **AVAILABILITY OF THE PROSPECTUS**

This Prospectus will be available as of the date of the Listing on the website of the Issuer at <https://www.citec.com/about-us/investors/>.

## **NO CREDIT RATING**

The Issuer or the Bonds have not been assigned any credit ratings at the request or with the co-operation of the Issuer in any rating process. The Company does not intend to seek rating for the Bonds in the future.

## **NOTICE REGARDING FORWARD-LOOKING STATEMENTS**

This Prospectus contains forward-looking statements about Sentiec's business that are not historical facts, but statements about future expectations. Such forward-looking statements are based on Sentiec's present plans, estimates, projections and expectations. They 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 are based on assumptions and are subject to various risks and uncertainties. The words such as "aims", "assumes", "believes", "estimates", "expects", "will", "intends", "may", "plans", "should" and similar expressions or negative of such terms identify certain of such forward-looking statements. Other forward-looking statements can be identified in the context in which the statements are made. Forward-looking statements are set forth in a number of places in this Prospectus regarding the future results, plans and expectations with regard to Sentiec's business, and on growth, profitability and the general economic conditions to which Sentiec is exposed.

The forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of Sentiec, or industry results, to differ materially

from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and other important factors include, among other things, risks described in section “Risk Factors“, but are not limited to those discussed therein. Should one or more of these or other risks or uncertainties materialize, or should any underlying assumptions prove to be incorrect, the actual results of operations or financial condition of the Issuer or its ability to fulfil its obligations under the Bonds could differ materially from those described herein as anticipated, believed, estimated or expected. Prospective investors should not unduly rely on these forward-looking statements. Numerous factors may cause actual results, realized revenues or performance to differ materially from the results, revenues and performance expressed or implied in the forward-looking statements of Sentiec. Sentiec does not intend and does not assume any obligation to update any forward-looking statements contained herein or to adjust them in the light of future events or developments unless required by applicable legislation. For additional information on factors that could cause Sentiec’s actual results of operations, performance or achievements of Sentiec to differ materially, see “Risk Factors“.

## NO INCORPORATION OF WEBSITE INFORMATION

This Prospectus together with the documents incorporated by reference herein are available on Sentiec’s website at <https://www.citec.com/about-us/investors/>. However, any other information presented on Sentiec’s website or any other website does not form a part of this Prospectus (except for any supplement to the Prospectus and information which has been incorporated by reference into the Prospectus or any supplement thereto, see section “Information Incorporated by Reference“), and the information on such websites has not been scrutinized or approved by the FIN-FSA. Prospective investors should not rely on such information in making their decision to invest in Sentiec’s securities.

## CONTROLLING SHAREHOLDER

As at the date of this Prospectus, Sentica Buyout III Ky (together with Sentica Buyout III Co-Investment Ky), a fund controlled by Sentica Buyout III GP Oy (“**Sentica**“), controls approximately 79 per cent. of the shares in the Issuer. Accordingly, Sentica Buyout III GP Oy (business ID 2126931-6), the general partner of Sentica Buyout III Ky and Sentica Buyout III Co-Investment Ky has control over the Issuer as referred to in Chapter 2, Section 4 of the Finnish Securities Market Act (Fi: *arvopaperimarkkinalaki*, 746/2012).

The Finnish Companies Act (624/2006, as amended) (the “**Finnish Companies Act**“) is based on the principle of equal treatment of shareholders and sets out several restrictions on abuse of control of a shareholder in order to prevent giving certain shareholders undue advantage over other shareholders of a company. The Finnish Companies Act also contains a number of provisions to protect the minority shareholders. Generally, at least 2/3 of votes are required for, *inter alia*, amendments to the company’s Articles of Association (apart from certain exceptional cases, some of which are described below) and to resolve upon a share issue in deviation from the pre-emptive rights of shareholders. With approximately 79 per cent. of the shares, Sentica holds such requisite majority.

However, a single shareholder has the right to, *inter alia*, block decisions through which the Articles of Association are amended so that the amendment would lead to: (i) the shareholder’s right to the profit or the net assets of the company is reduced; (ii) the shareholder’s liability for payments to the company is increased; (iii) the right to acquire the shares of the shareholder is restricted by incorporating in the Articles of Association a redemption clause or a consent clause; (iv) the shareholder’s pre-emptive right to shares is restricted; (v) the right to the minority dividend is restricted; (vi) a redemption term (Fi: *lunastusehto*) is attached to the shareholder’s shares; (vii) the company’s right to damages is restricted; and (viii) the balance between the rights carried by shares in the same class is altered and the change affects the shareholder’s shares. A shareholder also has the right to block redemption of shares in proportion other than that of the shares held by the shareholders (directed redemption). Further, at least 10 per cent. of votes or shares prevents the squeeze-out of the minority shareholders and, generally, a shareholder (or shareholders) holding at least 10 per cent. of the company shares can demand, after certain deductions, the distribution of half of the confirmed profit for the fiscal year.

In addition to the provisions above, there is a shareholders’ agreement in place which provides for, *inter alia*, minority shareholders’ supervision over the financial situation of the Group by way of granting an access to, and right to receive reports on, the financial information of the Group. The minority shareholders are also entitled to convene meetings in which the financial standing and the development of the Group are discussed.

The Issuer is not aware of any arrangements which may result in a change of control in the Issuer (see also “Financial and Other Information – Share Capital and Ownership Structure“).

## **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 Bonds.

## **OTHER INFORMATION**

Financial information set forth in a number of tables in this Prospectus has 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 upon the rounded numbers.

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 and references to "Swedish krona" or "SEK" refer to the lawful currency of Sweden.

## TERMS AND CONDITIONS OF THE BONDS

### 1. Definitions and Construction

#### 1.1 Definitions

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

**"Account Operator"** means a bank or other party duly authorised to operate as an account operator pursuant to the Financial Instruments Accounts Act and through which a Bondholder has opened a Securities Account in respect of its Bonds.

**"Accounting Principles"** means the generally accepted accounting principles, standards and practices in Finland as applied by the Issuer in preparing its annual consolidated financial statements.

**"Acquisition"** means the Issuer's acquisition of the Target Group and the Capital Loans from the Vendors.

**"Adjusted Nominal Amount"** means the Total Nominal Amount less the Nominal Amount of all Bonds owned by a Group Company or an Affiliate, irrespective of whether such Person is directly registered as owner of such Bonds.

**"Advance Purchase Agreements"** means (a) an advance or deferred purchase agreement if the agreement is in respect of the supply of assets or services and payment in the normal course of business with credit periods which are normal for the relevant type of project contracts, or (b) any other trade credit incurred in the ordinary course of business.

**"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 on or prior to the First Issue Date, between the Issuer and the Agent, or any replacement agency agreement entered into after the First Issue Date between the Issuer and an agent.

**"Agent"** means Nordic Trustee & Agency AB (publ), reg. no. 556882-1879, P.O. Box 7329, SE-103 90 Stockholm, Sweden or another party replacing it, as Agent, in accordance with these Terms and Conditions.

**"Bond"** means a debt instrument (Sw. *skuldförbindelse*) for the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the Financial Instruments Accounts Act and which are governed by and issued under these Terms and Conditions, including the Initial Bonds and any Subsequent Bonds.

**"Bondholder"** means the Person who is registered on a Securities Account as direct registered owner (Sw. *ägare*) or nominee (Sw. *förvaltare*) with respect to a Bond.

**"Bondholders' Meeting"** means a meeting among the Bondholders held in accordance with Clause 17 (Bondholders' Meeting).

**"Bond Issue"** means the Initial Bond Issue and any Subsequent Bond Issue.

**"Business Day"** means a day other than a Sunday or other public holiday in Sweden or Finland. Saturdays, Midsummer Eve (Fi. *juhannusaatto*, Sw. *midsommarafton*), Christmas Eve (Fi. *jouluaatto*, Sw. *julafton*) and New Year's Eve (Fi. *uudenvuodenaatto* Sw. *nyårsafton*) shall for the purpose of this definition be deemed to be public holidays.

**"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 Amount"** mean the amount set out in Clause 9.3 (*Voluntary Total Redemption (Call Option)*), as applicable.

**"Capital Loans"** means capital loans (Fi. *pääomalainat*) as defined in the Finnish Companies Act (Fi. *osakeyhtiölaki*) in an aggregated amount (including accrued interest) of EUR 34,751,825 incurred by the Target and granted by the Vendors.

**"Cash Payment"** means the payment in cash to the Vendors on the Disbursement Date in an amount not exceeding EUR 32,143,809 less the amount of transfer tax payable in connection with the Acquisition.

**"Change of Control Event"** means the occurrence of an event or series of events whereby one or more Persons, not being the Main Shareholder (or an Affiliate of the Main Shareholder), 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 all or a majority of the directors of the board of directors of the Issuer

**"Compliance Certificate"** means a certificate to the Agent, in the agreed form between the Agent and the Issuer, signed by the CFO, the CEO or an authorised signatory of the Issuer, certifying (as applicable):

- (a) that so far as it is aware no Event of Default is continuing or, if it is aware that an Event of Default is continuing, specifying the event and steps, if any, being taken to remedy it;
- (b) if the Compliance Certificate is provided in connection with an Incurrence Test, that the Incurrence Test is met (including figures in respect of the relevant financial tests and the basis on which they have been calculated);
- (c) if the Compliance Certificate is provided in connection with that a Financial Report is made available, that the Maintenance Covenant is met (including figures in respect of the relevant financial tests and the basis on which they have been calculated);
- (d) if the Compliance Certificate is provided in connection with that audited annual financial statements are made available, the Material Group Companies.

**"CSD"** means the Issuer's central securities depository and registrar in respect of the Bonds, from time to time, initially Euroclear Sweden AB, Swedish Reg. No. 556112-8074, P.O. Box 191, 101 23 Stockholm, Sweden.

**"CSD Business Day"** means a day on which the CSD's book-entry securities system is open in accordance with the regulations of the CSD.

**"Delisting Event"** means following an Equity Listing Event, the occurrence of an event or series of events whereby the Issuer's shares are delisted from a Regulated Market or an unregulated market.

**"Disbursement Date"** means the date of disbursement of the Net Proceeds from the Initial Bond Issue from the Proceeds Account pursuant to Clause 4(d).

**"EBITDA"** means, in respect of the Reference Period, the consolidated profit of the Group from ordinary activities according to the latest Financial Report(s):

- (a) before deducting any amount of tax on profits, gains or income paid or payable by any Group Company;
- (b) before deducting any Net Finance Charges;
- (c) before taking into account any extraordinary items and any non-recurring items which are not in line with the ordinary course of business, not exceeding 10.00 per cent. of EBITDA in the Reference Period;
- (d) before taking into account any Transaction Costs and any transaction costs relating to any acquisition of any additional target company;
- (e) not including any accrued interest owing to any Group Company;

- (f) before taking into account any unrealised gains or losses on any derivative instrument (other than any derivative instruments which is accounted for on a hedge account basis);
- (g) 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;
- (h) 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;
- (i) plus or minus the Group's share of the profits or losses of entities which are not part of the Group; and
- (j) after adding back any amount attributable to the amortisation, depreciation or depletion of assets of members of the Group.

**"Equity Clawback"** means a voluntary partial prepayment in accordance with Clause 9.5 (*Voluntary Partial Redemption Upon an Equity Listing Event (Equity Clawback)*).

**"Equity Listing Event"** means an initial public offering of shares in the Issuer, after which such shares shall be quoted, listed, traded or otherwise admitted to trading on a regulated market or unregulated market.

**"Euro"** and **"EUR"** means the single currency of the participating member states in accordance with the legislation of the European Community relating to Economic and Monetary Union.

**"Event of Default"** means an event or circumstance specified in any of the Clauses 14.1 (*Non-Payment*) to and including Clause 14.10 (*Continuation of the Business*).

**"Excluded Jurisdiction"** means the Republic of India.

**"Final Maturity Date"** means 2 February 2025.

**"Finance Charges"** means, for the Reference Period, the aggregate amount of the accrued interest, commission, fees, discounts, payment fees, premiums or charges and other finance payments in respect of Financial Indebtedness whether paid, payable or capitalised by any Group Company according to the latest Financial Reports (calculated on a consolidated basis) other than Transaction Costs, capitalised interest in respect of any Shareholder Debt, interest on any loan owing to any Group Company and taking no account of any unrealised gains or losses on any derivative instruments other than any derivative instrument which are accounted for on a hedge accounting basis.

**"Finance Documents"** means:

- (a) these Terms and Conditions;
- (b) the Agency Agreement;
- (c) the Proceeds Account Pledge Agreement;
- (d) the Security Documents;
- (e) the Guarantee and Adherence Agreement;
- (f) the Intercreditor Agreement; and
- (g) any other document designated by the Issuer and the Agent or the Security Agent as a Finance Document.

**"Finance Leases"** means any finance lease, to the extent the arrangement is or would have been treated as a finance or a capital lease in accordance with the Accounting Principles applicable prior to 1 January 2019 (a lease which in the accounts of the Group is treated as an asset and a corresponding liability), and for the avoidance of doubt, any leases treated as operating leases under the Accounting Principles as applicable prior to 1 January 2019 shall

not, regardless of any subsequent changes or amendments of the Accounting Principles, be considered as a finance lease.

**"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 any 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 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);
- (f) 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
- (g) (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in the above paragraphs (a)-(f).

**"Financial Instruments Accounts Act"** means the Swedish Financial Instruments Accounts Act (lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument).

**"Financial Report"** means the Group's annual audited financial statements or quarterly interim unaudited reports, which shall be prepared and made available according to Clauses 11.1(a)(i) and 11.1(a)(ii).

**"First Call Date"** means the date falling 24 months after the First Issue Date.

**"First Issue Date"** means 2 February 2021.

**"Floating Rate Margin"** means 8.00 per cent. per annum.

**"Force Majeure Event"** has the meaning set forth in Clause 26(a).

**"Group"** means the Issuer and each of its Subsidiaries from time to time, including the Target Group, and "Group Company" means each of the Issuer and its Subsidiaries.

**"Guarantee"** means the guarantees provided by the Guarantors under the Guarantee and Adherence Agreement.

**"Guarantee and Adherence Agreement"** means the guarantee and adherence agreement pursuant to which the Guarantors shall, amongst other, (i) guarantee all amounts outstanding under the Senior Finance Documents, including but not limited to the Bonds, plus accrued interests and expenses, and (ii) undertake to adhere to the terms of the Senior Finance Documents.

**"Guarantor"** means each of the Issuer, the Target and any Material Group Company.

**"Hedging Agreement"** shall have the meaning given to such term in the Intercreditor Agreement.

**"Hedging Obligations"** shall have the meaning given to such term in the Intercreditor Agreement.

**"Incurrence Test"** means the incurrence test set out in Clause 12.3 (*Incurrence Test*).

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

**"Initial Bond Issue"** means the issuance of the Initial Bonds.

**"Initial Bonds"** means the Bonds issued on the First Issue Date.

**"Insolvent"** means, in respect of a relevant Person, that it is deemed to be insolvent, within the meaning of Chapter 2, Sections 7-9 of the Swedish Bankruptcy Act (*konkurslagen* (1987:672)) (or its equivalent in any other jurisdiction), admits inability to pay its debts as they fall due, suspends making payments on any of its debts or by reason of actual financial difficulties commences negotiations with its creditors with a view to rescheduling any of its indebtedness (including company reorganisation under the Swedish Company Reorganisation Act (lag (1996:764) om *företagsrekonstruktion*) (or its equivalent in any other jurisdiction)) or is subject to involuntary winding-up, dissolution or liquidation.

**"Intercreditor Agreement"** means the intercreditor agreement entered into between, amongst other, the Issuer, the super senior RCF creditors under the Super Senior RCF, certain hedging counterparties, the Shareholders in respect of any Shareholder Debt and any provider of New Debt, the Agent (representing the Bondholders) and the Security Agent.

**"Interest"** means the interest on the Bonds calculated in accordance with Clauses 8(a) to 8(c).

**"Interest Payment Date"** means 2 February, 2 May, 2 August and 2 November each year. The first Interest Payment Date shall be 2 May 2021. The last Interest Payment Date shall be the Final Maturity Date (or such earlier date on which the Bonds are redeemed in full). To the extent any of the above dates is not a CSD Business Day, the CSD Business Day following from an application of the Business Day Convention.

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

**"Interest Rate"** means STIBOR (3 months) plus the Floating Rate Margin.

**"Issuer"** means Sentec Oy, a limited liability company incorporated in Finland with reg. no. 3163335-3.

**"Issued Nominal Amount"** means the amount issued under the Initial Bond Issue plus the amount issued under any Subsequent Bond Issue.

**"Issuing Agent"** means Pareto Securities AB, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

**"Leverage Ratio"** means the ratio of Net Interest Bearing Debt to EBITDA.

**"Main Shareholders"** means Sentica Buyout III Ky and/or Sentica Buyout III Co-Investment Ky, acting separately or jointly, or an Affiliate thereof or any other fund or limited partnership managed by Sentica Partners Oy.

**"Maintenance Covenant"** means the maintenance covenant set out in Clause 12.1 (*Maintenance Covenant*).

**"Market Loan"** means any loan or other indebtedness where an entity issues commercial paper, certificates, subordinated debentures, bonds 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 trading on a Regulated Market 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;
- (b) the Group's ability to perform and comply with the Finance Documents, or
- (c) the validity or enforceability of the Finance Documents.



**"Material Group Company"** means the Issuer, the Target and any other Group Company with earnings before interest, tax, depreciation and amortisation calculated on the same basis as EBITDA representing 5.00 per cent. or more of EBITDA, calculated on a consolidated basis according to the latest annual audited consolidated financial statements of the Group, excluding any Group Company incorporated in the Excluded Jurisdiction.

**"Material Intra-Group Loan"** means any intercompany loans provided by the Issuer to any of its Subsidiaries, excluding any Subsidiaries incorporated in the Excluded Jurisdiction where:

- (a) the term of the intercompany loan is at least 12 months (the term to be determined by the Issuer); and
- (a) the principal amount thereof is at least in an amount exceeding EUR 500,000.

**"MTF"** means any multilateral trading facility as defined in the Markets in Financial Instruments Directive 2014/65/EU (MiFID II), as amended.

**"Net Finance Charges"** means, for the Reference Period, the Finance Charges according to the latest Financial Report(s), after deducting any interest payable for that Reference Period to any Group Company and any interest income relating to cash or cash equivalent investment.

**"Net Interest Bearing Debt"** means the consolidated interest bearing Financial Indebtedness less cash and cash equivalents of the Group in accordance with the Accounting Principles (for the avoidance of doubt, excluding any Bonds owned by the Issuer, guarantees, bank guarantees, Shareholder Debt, any claims subordinated pursuant to a subordination agreement on terms and conditions satisfactory to the Agent and interest bearing Financial Indebtedness borrowed from any Group Company).

**"Net Proceeds"** means the proceeds from a Bond Issue after deduction has been made for the Transaction Costs payable by the Issuer to the Sole Bookrunner (if the Sole Bookrunner has requested that their fees and costs shall be deducted) and the Issuing Agent for the services provided in relation to the placement and issuance of the Bonds.

**"New Debt"** shall have the meaning given to such term in the Intercreditor Agreement.

**"Nominal Amount"** means in respect of each Bond the Initial Nominal Amount, less the aggregate amount by which that Bond has been redeemed in part pursuant to Clause 9.4 (*Mandatory Partial Redemption*) and Clause 9.5 (*Voluntary Partial Redemption Upon an Equity Listing Event (Equity Clawback)*).

**"Obligor"** means the Issuer and each Guarantor.

**"Permitted Debt"** means any Financial Indebtedness:

- (a) incurred under the Bonds (other than Subsequent Bonds);
- (b) incurred pursuant to any operating leases entered into in (i) the ordinary course of the Group's business and/or (ii) relating to real estate;
- (c) arising under any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability in the ordinary course of business of a Group Company;
- (d) arising under a foreign exchange transaction or a commodity transaction 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 and/or the Super Senior RCF, but not any transaction for investment or speculative purposes;
- (e) arising under any interest rate hedging transactions in respect of payments to be made under the Terms and Conditions and/or the Super Senior RCF, but not any transaction for investment or speculative purposes;
- (f) incurred under Advance Purchase Agreements;

- (g) incurred under any Shareholder Debt;
- (h) incurred by the Issuer if such Financial Indebtedness:
- (i) is incurred as a result of a Subsequent Bond Issue and meets the Incurrence Test on a pro forma basis; or
- (ii) ranks pari passu or is subordinated to the obligations of the Issuer under the Finance Documents, and:
- (A) meets the Incurrence Test on a pro forma basis;
- (B) has a final maturity date or a final redemption date; and
- (C) when applicable, early redemption dates or instalment dates, in each case of (B) and (C) which occur on or after the Final Maturity Date;
- (i) incurred by the Issuer or a Group Company under an overdraft, in an aggregate amount not exceeding EUR 2,500,000 (or its equivalent in any other currencies);
- (j) taken up from a Group Company (including any cash pool arrangements);
- (k) incurred in connection with the redemption of the Bonds in order to fully refinance the Bonds and provided further that such Financial Indebtedness is subject to an escrow arrangement up until the redemption of the Bonds (taking into account the rules and regulations of the CSD), for the purpose of securing, inter alia, the redemption of the Bonds
- (l) incurred under the Capital Loans until the Disbursement Date;
- (m) any pension liabilities; and
- (n) any other Financial Indebtedness incurred by Group Companies not in aggregate exceeding EUR 500,000, provided that the total aggregate amount under this paragraph (n) and paragraph (i) above does not exceed EUR 2,500,000.

**"Permitted Security"** means any Security:

- (a) provided under the Finance Documents;
- (b) provided over the Proceeds Account;
- (c) arising by operation of law or in the ordinary course of business (including collateral or retention of title arrangements in connection with Advance Purchase Agreements but, for the avoidance of doubt, not including guarantees or security in respect of any monies borrowed or raised);
- (d) arising under any netting or set off arrangements under financial derivatives transactions or bank account arrangements, including any group cash pool arrangements;
- (e) provided over bank accounts and/or proceeds pertaining to sold receivables with respect to factoring on a non-recourse basis;
- (f) until the Disbursement Date, any security provided under the Capital Loans; and
- (g) provided pursuant to items (c), (d), (e), (h), (i) and (n) of the definition of Permitted Debt.

**"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.

**"Proceeds Account"** means a bank account of the Issuer, into which the Net Proceeds from the Initial Bond Issue will be transferred and which has been pledged in favour of the Agent and the Bondholders (represented by the Agent) under the Proceeds Account Pledge Agreement.

**"Proceeds Account Pledge Agreement"** means the pledge agreement entered into between the Issuer and the Agent on or prior to the First Issue Date in respect of a first priority pledge over the Proceeds Account and all funds held on the Proceeds Account from time to time, granted in favour of the Agent and the Bondholders (represented by the Agent).

**"Quotation Day"** means, in relation to any period for which an interest rate is to be determined, two (2) Business Days before the first day of that period.

**"Record Date"** means the fifth (5) CSD Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Bondholders is to be made under Clause 15 (Distribution of Proceeds), (iv) the date of a Bondholders' Meeting, or (v) another relevant date, or in each case such other CSD Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

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

**"Reference Date"** means 31 March, 30 June, 30 September and 31 December in each year for as long as any Bonds are outstanding.

**"Reference Period"** means each period of 12 consecutive calendar months.

**"Regulated Market"** means any regulated market as defined in the Markets in Financial Instruments Directive 2014/65/EU (MiFID II), as amended.

**"Restricted Payment"** has the meaning set forth in Clause 13.2(a).

**"Secured Obligations"** shall have the meaning given to such term in the Intercreditor Agreement.

**"Secured Parties"** shall have the meaning given to such term in the Intercreditor Agreement.

**"Securities Account"** means the account for dematerialised securities maintained by the CSD pursuant to the Financial Instruments Accounts Act in which (i) an owner of such security is directly registered or (ii) an owner's holding of securities is registered in the name of a nominee.

**"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.

**"Security Agent"** means the security agent, appointed by the Secured Parties pursuant to the Intercreditor Agreement, holding the Transaction Security on behalf of the Secured Parties, being Nordic Trustee & Agency AB (publ) on the First Issue Date.

**"Security Documents"** means the security documents pursuant to which the Transaction Security is created and any other document designated as a Security Document by the Issuer and the Security Agent.

**"Senior Finance Documents"** shall have the meaning given to such term in the Intercreditor Agreement.

**"Shareholders"** means the Main Shareholder and certain management and employee shareholders.

**"Shareholder Debt"** means any shareholder loan made to the Issuer as debtor, if such loan:

- (a) is subordinated to the obligations of the Issuer under the Senior Finance Documents;
- (b) according to its terms has a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Maturity Date; and

- (c) according to its terms yield only payment-in-kind interest and/or cash interest that is payable after the Final Maturity Date (unless a Restricted Payment is permitted under the Finance Documents).

**"Sole Bookrunner"** means Pareto Securities AB.

**"STIBOR"** means:

- (a) the applicable percentage rate per annum of the Stockholm interbank offered rate for STIBOR fixing administered and calculated by the Swedish Financial Benchmark Facility (or any other person which takes over the administration of that rate) and displayed on the appropriate Reuters screen (or through such other system or on such other page as replaces the said system or page) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor and for a period comparable to the relevant Interest Period; or
- (b) if no rate is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request quoted by leading banks in the Stockholm interbank market reasonably selected by the Issuing Agent, for deposits of SEK 100,000,000 for the relevant period; or
- (c) if no quotation is available pursuant to paragraph (b), the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Swedish Kronor offered in the Stockholm interbank market for the relevant period; and

if any such rate is below zero, STIBOR will be deemed to be zero.

**"Subsequent Bond Issue"** has the meaning set forth in Clause 2(e).

**"Subsequent Bonds"** means any Bonds issued after the First Issue Date on one or more occasions.

**"Subsidiary"** means, in respect of which such Person, directly or indirectly:

- (a) owns shares or ownership rights representing more than fifty (50) per cent. of the total number of votes held by the owners;
- (b) otherwise controls more than fifty (50) per cent. of the total number of votes held by the owners; or
- (c) has the power to appoint and remove all, or the majority of, the members of the board of directors or other governing body.

**"Super Senior Debt"** has the meaning given thereto in the Intercreditor Agreement.

**"Super Senior RCF"** has the meaning given thereto in the Intercreditor Agreement.

**"Swedish Kronor"** and **"SEK"** means the lawful currency of Sweden.

**"Target"** means Citec Group Oy Ab, a limited liability company incorporated in Finland with, Finnish reg. no. 2406561-8.

**"Target Group"** means the Target and each of its Subsidiaries from time to time.

**"Total Nominal Amount"** means the total aggregate Nominal Amount of the Bonds 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 Group Company in connection with (i) the Bond Issue, (ii) the Acquisition, and (iii) costs incurred relating to the cancelled exit process.

**"Transaction Security"** means the Security provided for the Secured Obligations pursuant to the Security Documents, initially being:

- (a) share pledge in respect of all shares in the Issuer and each Guarantor;
- (b) pledge over business mortgage certificates in the amount of EUR 52,500,000 in the Target;
- (c) pledge over business mortgage certificates in the amount of EUR 52,500,000 in Citec Oy Ab;
- (d) pledge over business mortgage certificates in the amount of SEK 10,000,000 in Citec AB; and
- (e) pledge over any current and future Material Intra-Group Loans granted by the Issuer.

**"Vendors"** means Sentica Buyout III Ky, Sentica Buyout III Co-Investment Ky, Rune Westergård through Lombard International Assurance S.A., Rune Westergård, Johan Westermarck, Nasir Mulani, Sakari Koivuniemi, Ganesh Sondur, Merja Saurus, Laura Kauppinen, Mikko Juopperi, Katarina Western-Hagnäs, Michael Smirnoff, Jan Ole Fagerström, TEEEC AS, Jan P Harto AS, Mari Kytöharju, Joakim Nybäck, Martin Strand, Ab Strands Oy, Kenneth Lovidius, Mats Söderlund, MAB Technologies SARL and Kimmo Rauhala, being the sellers of the shares and/or options in the Target and the Capital Loans.

**"Written Procedure"** means the written or electronic procedure for decision making among the Bondholders in accordance with Clause 18 (*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) a provision of law is a reference to that provision as amended or re-enacted; and
  - (vi) a time of day is a reference to Stockholm time.
- (b) When ascertaining whether a limit or threshold specified in Swedish Kronor 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 Swedish Kronor for the previous Business Day, as published by the Swedish Central Bank (Sw. *Riksbanken*) on its website ([www.riksbank.se](http://www.riksbank.se)). If no such rate is available, the most recently published rate shall be used instead.
- (c) A notice shall be deemed to be sent by way of press release if it is made available to the public within Sweden promptly and in a non-discriminatory manner.
- (d) No delay or omission of the Agent, the Security Agent or of any Bondholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.
- (e) The privacy notice and any other information contained in this document before the table of contents section do not form part of these Terms and Conditions and may be updated without the consent of the Bondholders and the Agent.

## 2. Status of the Bonds

- (a) The Bonds are denominated in Swedish Kronor and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with these Terms and Conditions.
- (b) By subscribing for Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds, each subsequent Bondholder confirms such agreement.
- (c) The initial nominal amount of each Initial Bond is SEK 1,250,000 (the "**Initial Nominal Amount**"). The maximum total nominal amount of the Initial Bonds is SEK 290,000,000. All Initial Bonds are issued on a fully paid basis at an issue price of 100.00 per cent. of the Initial Nominal Amount.
- (d) The minimum permissible investment in a Bond Issue is SEK 1,250,000.
- (e) Provided that the Incurrence Test is met, the Issuer may, at one or several occasions, issue Subsequent Bonds (each such issue, a "**Subsequent Bond Issue**"). Subsequent Bonds shall benefit from and be subject to the Finance Documents, and, for the avoidance of doubt, the ISIN, the Interest Rate, the Nominal Amount and the Final Maturity Date applicable to the Initial Bonds shall apply to Subsequent Bonds. The price of the Subsequent Bonds may be set at a discount or at a premium compared to the Nominal Amount. The maximum total nominal amount of the Bonds (the Initial Bonds and all Subsequent Bonds) may not exceed SEK 500,000,000 unless a consent from the Bondholders is obtained in accordance with Clause 16(e)(i). Each Subsequent Bond shall entitle its holder to Interest in accordance with Clause 8(a), and otherwise have the same rights as the Initial Bonds.
- (f) The Bonds constitute direct, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank (i) without any preference among them and (ii) at least *pari passu* with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except (A) those obligations which are mandatorily preferred by law and (B) the super senior ranking of the Super Senior Debt in accordance with the Intercreditor Agreement.
- (g) The Bonds are freely transferable but the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local laws to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.
- (h) No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds.

## 3. Use of Proceeds

- (a) The proceeds from the Initial Bond Issue shall be used to (i) finance the Cash Payment to be made by the Issuer, (ii) finance payment of transfer tax in relation to the Acquisition, (iii) pay Transaction Costs and (iv) finance general corporate purposes.
- (b) Proceeds from a Subsequent Bond Issue shall be used to finance general corporate purposes, including acquisitions and investments.

## 4. Conditions Precedent

- (a) The payment of the Net Proceeds from the Initial Bond Issue to the Proceeds Account is subject to the Agent having received documents and evidence of the Proceeds Account Pledge Agreement being duly executed and perfected.
- (b) The Issuer shall provide, or procure the provision of, to the satisfaction of the Agent:

- (i) constitutional documents and corporate resolutions (approving the relevant Finance Documents and authorising a signatory/-ies to execute the Finance Documents) for the Issuer and each other party to a Finance Document (other than the Agent), together constituting evidence that the Finance Documents have been duly executed;
  - (ii) copies of the Finance Documents, duly executed;
  - (iii) evidence that any Financial Indebtedness and/or existing Security not constituting Permitted Debt or Permitted Security, as applicable, incurred or granted by or over any Group Company has been or will simultaneously be repaid or released, as applicable, on or prior to the Disbursement Date;
  - (iv) evidence that all documents, that shall be delivered to the Agent pursuant to the Security Documents and all perfection requirements, have been delivered in accordance with the terms of each Security Document or will be delivered in connection with the disbursement of the Net Proceeds;
  - (v) release letter(s) in relation to any existing security that shall be released prior to the granting of such security under the Senior Finance Documents;
  - (vi) an agreed form Compliance Certificate; and
  - (vii) legal opinion(s) on the capacity and due execution of each party to a Finance Document not incorporated in Finland or Sweden and the validity and enforceability of the Finance Documents not governed by Finnish or Swedish law, in each case issued by a reputable law firm (if applicable).
- (c) The Agent may assume that the documentation and evidence delivered to it pursuant to Clause 4(b) is accurate, legally valid, enforceable, correct, true and complete unless it has actual knowledge to the contrary and the Agent does not have to verify or assess the contents of any such documentation. The Agent does not have any obligation to review the documentation and evidence referred to in Clause 4(b) above from a legal or commercial perspective of the Bondholders.
  - (d) When the conditions precedent for disbursement set out in Clause 4(b) have been received to the satisfaction of the Agent (*acting reasonably*), the Agent shall instruct the bank (with which the Issuer holds the Proceeds Account) to transfer the funds from the Proceeds Account for the purpose set out in Clause 3 (Use of Proceeds), and the Agent shall thereafter or in connection therewith release the pledge over the Proceeds Account.
  - (e) If the conditions precedent for disbursement set out in Clause 4(b) have not been fulfilled to the satisfaction of the Agent (*acting reasonably*) or waived by the Agent within sixty (60) Business Days from the First Issue Date, the Issuer shall repurchase all Bonds at a price equal to 100.00 per cent. of the Initial Nominal Amount together with any accrued Interest. Any funds distributed by the Agent to the Bondholders in accordance with the Proceeds Account Pledge Agreement shall be deemed to be paid by the Issuer for the redemption under this Clause 4(e). Any shortfall shall be covered by the Issuer. The repurchase date shall fall no later than thirty (30) Business Days after the ending of the sixty (60) Business Days period referred to above.

## **5. Bonds in Book-Entry Form**

- (a) The Bonds will be registered for the Bondholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Bonds will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Bonds shall be directed to an Account Operator.
- (b) Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (Sw. *föräldrabalken* (1949:381)), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Bond shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.

- (c) The Issuer (and the Agent when permitted under the CSD's applicable regulations) shall be entitled to obtain information from the debt register (Sw. *skuldbok*) kept by the CSD in respect of the Bonds. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.
- (d) For the purpose of or in connection with any Bondholders' Meeting or any Written Procedure, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds.
- (e) 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 Bonds. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Bondholders.

## **6. Right to Act on Behalf of a Bondholder**

- (a) If any Person other than a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other proof of authorisation from the Bondholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Bondholder and authorising such Person.
- (b) A Bondholder may issue one or several powers of attorney or other authorisation to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Bondholder and may further delegate its right to represent the Bondholder 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.

## **7. Payments in Respect of the Bonds**

- (a) Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Bonds, shall be made to such Person who is registered as a Bondholder on the Record Date prior to an Interest Payment Date or other relevant due date, or to such other Person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.
- (b) If a Bondholder has registered, through an Account Operator, that principal, interest or any other payment shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the Persons who are registered as Bondholders on the relevant Record Date as soon as possible after such obstacle has been removed.
- (c) 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. Interest shall accrue without any default interest in accordance with Clause 8(d) during such postponement.
- (d) 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.
- (e) The Issuer is not liable to gross-up any payments under the Finance Documents by virtue of any withholding tax, public levy or the similar.



## **8. Interest**

- (a) Each Initial Bond carries Interest at the Interest Rate from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Subsequent Bond will carry Interest at the Interest Rate from (but excluding) the Interest Payment Date falling immediately prior to its issuance (or the First Issue Date if there is no such Interest Payment Date) up to (and including) the relevant Redemption Date.
- (b) Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made to the Bondholders on each Interest Payment Date for the preceding Interest Period.
- (c) Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
- (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 (but excluding) the due date up to (and including) 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 or the CSD, in which case the Interest Rate shall apply instead.

## **9. Redemption and Repurchase of the Bonds**

### ***9.1 Redemption at Maturity***

The Issuer shall redeem all, but not only some, of the outstanding Bonds in full on the Final Maturity Date with an amount per Bond 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 first following CSD Business Day.

### ***9.2 Issuer's Purchase of Bonds***

The Issuer may, subject to applicable law, at any time and at any price purchase Bonds on the market or in any other way. The Bonds held by the Issuer may at the Issuer's discretion be retained or sold but not cancelled except in connection with a repurchase by the Issuer of the Bonds in full.

### ***9.3 Voluntary Total Redemption (Call Option)***

- (a) The Issuer may redeem all, but not only some, of the outstanding Bonds in full on any CSD Business Day:
  - (i) any time from and including the First Issue Date to, but excluding, the first CSD Business Day falling 24 months after the First Issue Date, at an amount per Bond equal to 104.00 per cent. of the Nominal Amount plus the remaining interest payments, calculated in accordance with Clause 9.3(c), up to and including the First Call Date together with accrued but unpaid Interest;
  - (ii) any time from and including the first CSD Business Day falling 24 months after the First Issue Date to, but excluding, the first CSD Business Day falling 30 months after the First Issue Date at an amount per Bond equal to 104.00 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
  - (iii) any time from and including the first CSD Business Day falling 30 months after the First Issue Date to, but excluding, the first CSD Business Day falling 36 months after the First Issue Date at an amount per Bond equal to 102.80 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
  - (iv) any time from and including the first CSD Business Day falling 36 months after the First Issue Date to, but excluding, the first CSD Business Day falling 42 months after the First Issue Date at an amount per Bond equal to 101.60 per cent. of the Nominal Amount, together with accrued but unpaid Interest;

- (v) any time from and including the first CSD Business Day falling 42 months after the First Issue Date to, but excluding, the Final Maturity Date at an amount per Bond equal to 100.40 per cent. of the Nominal Amount, together with accrued but unpaid Interest.
- (b) Redemption in accordance with Clause 9.3(a) shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Bondholders and the Agent. The notice shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Bondholder to receive the amounts due on such Redemption Date. Any such notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon expiry of such notice and the fulfillment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts.
- (c) For the purpose of calculating the remaining interest payments pursuant to Clause 9.3(a)(i) it shall be assumed that the Interest Rate for the period from the relevant record date to the first CSD Business Day falling 24 months after the First Issue Date will be equal to the Interest Rate in effect on the date on which notice of redemption is given to the Bondholders. The relevant record date shall be agreed upon between the Issuer, the CSD and the Agent in connection with such repayment.

#### **9.4 *Mandatory Partial Redemption***

- (a) The Issuer shall, on each Interest Payment Date, repay an amount equal to 1.25 per cent. of the Issued Nominal Amount, in which case all outstanding Bonds shall be partially repaid by way of reducing the Nominal Amount of each Bond pro rata.
- (b) The repayment per Bond shall equal the repaid percentage of the Nominal Amount (rounded down to the nearest SEK 1,000) and shall be made at par and together with accrued but unpaid interest on the repaid amount.
- (c) The applicable amount shall be an even amount in SEK and paid to the Person who is registered as a Bondholder on the Record Date prior to the relevant Redemption Date.

#### **9.5 *Voluntary Partial Redemption Upon an Equity Listing Event (Equity Clawback)***

- (a) The Issuer may at one occasion, in connection with an Equity Listing Event, repay up to 30.00 per cent. of the aggregate Nominal Amount, in which case all outstanding Bonds shall be partially repaid by way of reducing the Nominal Amount of each Bond pro rata. The repayment must occur on an Interest Payment Date within 180 days after such Equity Listing Event and be made with funds in an aggregate amount not exceeding the cash proceeds received by the Issuer as a result of such Equity Listing Event (net of fees, charges and commissions actually incurred in connection with such Equity Listing Event and net of taxes paid or payable as a result of such Equity Listing Event).
- (b) The repayment per Bond shall equal the repaid percentage of the Nominal Amount (rounded down to the nearest SEK 1,000) plus (i) a premium on the repaid amount as set forth in Clause 9.3 for the relevant period and shall, for the period until (but excluding) the first CSD Business Day falling 30 months after the First Issue Date be the price set out in Clause 9.3(a)(ii), and (ii) in each case including accrued but unpaid interest on the repaid amount.
- (c) Partial redemption in accordance with this Clause 9.5 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Bondholders and the Agent. Any such notice is irrevocable and, upon expiry of such notice, the Issuer is bound to redeem the Bonds in part on the immediately following Interest Payment Date at the applicable amounts. The applicable amount shall be an even amount in SEK and paid to the Person who is registered as a Bondholder on the Record Date prior to the relevant Redemption Date.

#### **9.6 *Mandatory repurchase due to a Change of Control Event or a Delisting Event (Put Option)***

- (a) Upon the occurrence of a Change of Control Event or a Delisting Event, each Bondholder shall have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to 101 per cent. of the 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 or Delisting Event pursuant to Clause 11.1(d) (after which time period such rights lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event or Delisting Event.

- (b) The notice from the Issuer pursuant to Clause 11.1(d) shall specify the repurchase date and include instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be repurchased. If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a Person designated by the Issuer, shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 11.1(d). The repurchase date must fall no later than twenty (20) Business Days after the end of the period referred to in Clause 9.6(a).
- (c) The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Bonds. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 9.6, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 9.6 by virtue of the conflict.
- (d) Any Bonds repurchased by the Issuer or any Group company pursuant to this Clause 9.6 may at the Issuer's or such Group Company's discretion be retained or sold, but not cancelled except in connection with a repurchase of the Bonds in full.

## **10. Transaction Security and Guarantees**

- (a) Subject to the Intercreditor Agreement, as continuing Security for the due and punctual fulfilment of the Secured Obligations, the Issuer, the Guarantors and each Group Company party to any Security Document and/or the Guarantee and Adherence Agreement grants the Transaction Security and the Guarantees (as applicable) to the Secured Parties as represented by the Security Agent on the terms set out in the Security Documents and the Guarantee and Adherence Agreement (as applicable).
- (b) The Security Agent shall hold the Transaction Security and the Guarantees on behalf of the Secured Parties in accordance with the Security Documents, the Guarantee and Adherence Agreement, and the Intercreditor Agreement (as applicable). The Issuer shall, and shall procure that the Guarantors and each Group Company party to any Security Document and/or the Guarantee and Adherence Agreement (as applicable) will, enter into the Security Documents and/or the Guarantee and Adherence Agreement (as applicable) and perfect the Transaction Security in accordance with the Security Documents.
- (c) Unless and until the Security Agent has received instructions to the contrary in accordance with the Intercreditor Agreement, the Security Agent shall (without first having to obtain the Bondholders' consent) be entitled to enter into agreements with the Issuer or a third party or take any other actions, if it is, in the Security Agent's opinion, necessary for the purpose of maintaining, altering, releasing or enforcing the Transaction Security, creating further Security for the benefit of the Secured Parties or for the purpose of settling the Bondholders', the super senior RCF creditor's under the Super Senior RCF, the creditors' under any New Debt, the hedge counterparties' under the Hedging Agreement or the Issuer's rights to the Transaction Security, in each case in accordance with the terms of the Finance Documents and provided that such agreements or actions are not detrimental to the interest of the Bondholders.
- (d) The Agent shall be entitled to give instructions relating to the Transaction Security and the Guarantees to the Security Agent in accordance with the Intercreditor Agreement.

## **11. Information to Bondholders**

### ***11.1 Information from the Issuer***

- (a) The Issuer shall make the following information available in the English language by publication on the website of the Group:
  - (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, 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 unaudited consolidated reports or the year-end report (as applicable), 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, with the first Financial Report pursuant to this paragraph (ii) to be delivered in respect of the financial quarter ending on 31 March 2021; and
  - (iii) any other information required by the Finnish Securities Market Act (Fi. Arvopaperimarkkinalaki 746/2012, as amended) and the rules and regulations of the Regulated Market or MTF on which the Bonds are admitted to trading.
- (b) When the Bonds have been listed on a Regulated Market:
  - (i) the information set out in Clause 11.1(a) shall also be made available by way of press release; and
  - (ii) the reports referred to in Clause 11.1(a)(i) and Clause 11.1(a)(ii) shall be prepared in accordance with IFRS.
- (c) When the financial statements and other information are made available to the Bondholders pursuant to Clause 11.1(a), the Issuer shall send copies of such financial statements and other information to the Agent.
- (d) The Issuer shall promptly notify the Agent and the Bondholders upon becoming aware of the occurrence of a Change of Control Event or a Delisting Event, and shall provide the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice. A notice regarding a Change of Control Event may be given in advance of the occurrence of a Change of Control Event, conditioned upon the occurrence of such Change of Control Event, if a definitive agreement is in place providing for a Change of Control Event.
- (e) The Issuer shall promptly notify the Agent (with full particulars) upon becoming 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 shall submit a duly executed Compliance Certificate to the Agent:
  - (i) in connection with the testing of the Incurrence Test;
  - (ii) in connection with that a Financial Report is made available;
  - (iii) in connection with the distribution of a Restricted Payment; and
  - (iv) at the Agent's request, within 20 days from such request.
- (g) The Agent may assume that any information provided by the Issuer in the Compliance Certificate delivered pursuant to paragraph (f) above is correct, and the Agent shall not be responsible or liable for the adequacy, accuracy or completeness of such information.
- (h) The Issuer is only obliged to inform the Agent according to this Clause 11.1 if informing the Agent would not conflict with any applicable laws or, when the Bonds 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 11.1.

### **11.2 Information from the Agent**

- (a) Subject to applicable laws, regulations and the restrictions of a non-disclosure agreement entered into by the Agent in accordance with Clause 11.2(b), the Agent is entitled to disclose to the Bondholders any event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Bondholders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.
- (b) If a committee representing the Bondholders' interests under the Finance Documents has been appointed by the Bondholders in accordance with Clause 16 (Decisions by Bondholders), the members of such committee may agree with the Issuer not to disclose information received from the Issuer, provided that it, in the reasonable opinion of such members, is beneficial to the interests of the Bondholders. The Agent shall be a party to such agreement and receive the same information from the Issuer as the members of the committee.

### **11.3 Publication of Finance Documents**

- (a) The latest version of these Terms and Conditions (including any documents amending these Terms and Conditions) shall be available on the websites of the Group and the Agent.
- (b) The latest version of the Finance Documents shall be available to the Bondholders at the office of the Agent during the Agent's normal business hours.

## **12. Financial Undertakings**

### **12.1 Maintenance Covenant**

The Issuer shall ensure that the Leverage Ratio is:

- (a) equal to or less than 5.00:1 for the period from the First Issue Date to (and including) the date falling one (1) year after the First Issue Date;
- (b) equal to or less than 4.75:1 for the period from the date falling one (1) year after the First Issue Date to (and including) the date falling two (2) years after the First Issue Date; and
- (c) equal to or less than 4.50:1 for the period from the date falling two (2) years after the First Issue Date to the Final Maturity Date.

### **12.2 Testing of the Maintenance Covenant**

The Maintenance Covenant shall be calculated in accordance with the Accounting Principles applicable to the Issuer and tested by reference to each of the Financial Reports on each Reference Date with respect to the Reference Period ending on such Reference Date. The first test date shall be 31 March 2021.

### **12.3 Incurrence Test**

The Incurrence Test is met if:

- (a) the Leverage Ratio is:
  - (i) equal to or less than 3.00:1 for the period from the First Issue Date to (and including) the date falling two (2) years after the First Issue Date;
  - (ii) equal to or less than 2.75:1 for the period from the date falling two (2) years after the First Issue Date to (and including) the date falling three (3) years after the First Issue Date;
  - (iii) equal to or less than 2.50:1 for the period from the date falling three (3) years after the First Issue Date to the Final Maturity Date; and

- (b) no Event of Default is continuing or would occur upon the incurrence or payment.

#### **12.4 Testing of the Incurrence Test**

- (a) The Leverage Ratio for the purpose of the Incurrence Test shall be calculated as follows:
  - (i) the calculation shall be made as per a testing date determined by the Issuer, falling no more than three (3) months prior to the relevant Restricted Payment or incurrence of the new Financial Indebtedness (as applicable); and
  - (ii) the Net Interest Bearing Debt shall be measured on the relevant testing date so determined, but include the new Financial Indebtedness provided it is an interest bearing obligation (however, any cash balance resulting from the incurrence of the new Financial Indebtedness shall not reduce Net Interest Bearing Debt).
- (b) Notwithstanding paragraph (a) above, if the Incurrence Test is tested in connection with incurrence of Financial Indebtedness to be used for an acquisition, the calculation of the Leverage Ratio may be made based on the Leverage Ratio for the acquired entity only on a stand-alone basis (without the Group). The Net Interest Bearing Debt shall be measured for the relevant acquired entity on the relevant testing date so determined, but include the new Financial Indebtedness incurred by the Group for the acquisition and shall include cash in the amount of any Shareholder Debt or unconditional shareholder's contribution made for the purpose of the Incurrence Test in connection with such acquisition.

#### **12.5 Calculation Adjustments**

The figures for EBITDA for the Reference Period ending on the last day of the period covered by the most recent Financial Report shall be used for the Maintenance Covenant and the Incurrence Test, but adjusted so that:

- (a) entities acquired or disposed of by the Group during the Reference Period, or after the end of the Reference Period but before the relevant testing date, shall be included or excluded (as applicable), pro forma, for the entire Reference Period; and
- (b) any entity to be acquired with the proceeds from new Financial Indebtedness shall be included, pro forma, for the entire Reference Period.

### **13. General Undertakings**

#### **13.1 General**

The Issuer undertakes to (and shall, where applicable, procure that each other Group Company will and shall procure that each Obligor (pursuant to the Guarantee and Adherence Agreement) undertakes to) comply with the undertakings set out in this Clause 13 for as long as any Bonds remain outstanding.

#### **13.2 Restricted Payments**

- (a) No Obligor shall, and shall procure that none of its Subsidiaries will:
  - (i) pay any dividend in respect of its shares (other than to the Issuer or a wholly-owned, direct or indirect, Subsidiary of the Issuer and, if made by a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, is made on a pro rata basis);
  - (ii) repurchase or redeem any of its own shares;
  - (iii) redeem or reduce its share capital or other restricted or unrestricted equity with repayment to its shareholders;
  - (iv) grant any loans (other than to the Issuer or a wholly-owned Subsidiary of the Issuer, the loan granted to Citec OY AB Saudi & Partner in an amount of SAR (the lawful currency of Saudi Arabia, Saudi Arabian Riyal) 600,000, or trade credits in the ordinary course of business);

- (v) repay any Shareholder Debt or pay any interest thereon; or
- (vi) make any other similar distribution or transfers of value to the direct or indirect shareholders of the Issuer, or any Affiliates of the Issuer (other than to the Issuer or a wholly-owned, direct or indirect, Subsidiary of the Issuer and, if made by a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, is made on a pro rata basis),

(paragraphs (i)-(vi) above are together and individually referred to as a "**Restricted Payment**").

(b) Notwithstanding the above, a Restricted Payment may be made:

- (i) if made in accordance with and pursuant to Clause 3 (Use of Proceeds);
- (ii) following an Equity Listing Event by the Issuer and a full Equity Claw Back, if:
  - (A) no Event of Default is outstanding or would occur as a result of such Restricted Payment;
  - (B) the Incurrence Test is met (calculated on a pro forma basis including the relevant Restricted Payment); and
  - (C) the aggregate amount of all Restricted Payments of the Group in any financial year (including the relevant Restricted Payment in question) does not exceed 50 per cent. of the Group's consolidated net income for the previous financial year (adjusted for any distribution to any minority shareholder).

### **13.3 Listing**

(a) The Issuer shall use its best efforts to ensure that:

- (i) the Initial Bonds are listed on:
  - (A) a Regulated Market within twelve (12) months after the issuance of such Bonds; and
  - (B) Frankfurt Stock Exchange Open Market no later than sixty (60) days after the First Issue Date and with an intention to complete such listing within thirty (30) days,
- (ii) any Subsequent Bonds are listed on:
  - (A) the relevant Regulated Market no later than sixty (60) days after the issuance of such Subsequent Bonds and with an intention to complete such listing within thirty (30) days (unless such Subsequent Bonds are issued prior to the date falling twelve (12) months after the First Issue Date in which case they shall be listed within twelve (12) months after the First Issue Date; and
  - (B) Frankfurt Stock Exchange Open Market no later than sixty (60) days after the issuance of such Subsequent Bonds and with an intention to complete such listing within thirty (30) days, and
- (iii) the Bonds, if admitted to trading on a Regulated Market and/or Frankfurt Stock Exchange Open Market, continue being listed thereon for as long as any Bond is outstanding (however, taking into account the rules and regulations of the relevant Regulated Market and/or Frankfurt Stock Exchange Open Market and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds).

### **13.4 Nature of Business**

Each Obligor 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.

### **13.5 Financial Indebtedness**

No Obligor shall, and shall procure that none of its Subsidiaries will, incur, prolong, renew or extend any Financial Indebtedness, other than Permitted Debt.

### **13.6 Disposal of Assets**

No Obligor shall, and shall procure that no Subsidiary, sell or otherwise dispose of shares in any Group Company or of all or substantially all of its or that Subsidiary's assets (including but not limited to material intellectual property rights) or operations to any Person not being the Issuer or any of its wholly-owned Subsidiaries, unless the transaction is carried out at fair market value and on terms and conditions customary for such transaction and provided that it does not have a Material Adverse Effect.

### **13.7 Holding Company**

The Issuer shall not trade, carry on any business, own any assets or incur any liabilities except for:

- (a) the provision of administrative service (excluding treasury services) to other members of the Group of a type customarily provided by a holding company to its Subsidiaries;
- (b) ownership of shares in its Subsidiaries, intra-Group debit balances, intra-Group credit balances and other credit balances in bank accounts, cash and cash equivalent; and
- (c) any liabilities under the Finance Documents to which it is a party and professional fees and administration costs in the ordinary course of business as a holding company.

### **13.8 Negative Pledge**

No Obligor shall, and shall procure that none of its Subsidiaries will, provide, prolong or renew any Security over any of its/their assets (present or future), other than any Permitted Security.

### **13.9 Dealings at Arm's Length Terms**

Each Obligor shall, and shall procure that its Subsidiaries, conduct all dealings with their direct and indirect shareholders (excluding the Issuer and any other Group Company) and/or any Affiliates of such direct and indirect shareholders on arm's length terms

### **13.10 Compliance with Laws and Authorisations**

Each Obligor shall, and shall make sure that its Subsidiaries will, (i) comply with all relevant laws and regulations applicable to it from time to time and (ii), obtain, maintain, and comply with, the terms and conditions of any authorisation, approval, licence, registration or other permit required for the business carried out by a Group Company, in each case, if failure to do so has or is reasonably likely to have a Material Adverse Effect.

### **13.11 Additional Security Material Intra-Group Loans**

- (a) The Issuer shall, upon the incurrence of a Material Intra-Group Loan, grant a pledge over that Material Intra-Group Loan as security for all amounts outstanding under the Senior Finance Documents and simultaneously therewith deliver to the Agent:
  - (i) constitutional documents and corporate resolutions (approving the relevant Security Documents and authorising a signatory/-ies to execute the relevant Security Document) for the relevant security provider, and each other party to that Security Document (other than the Agent);
  - (ii) a legal opinion on the capacity and due execution, in respect of any entity being party to the relevant Security Document, unless it is incorporated in Finland or Sweden, issued by a reputable law firm; and
  - (iii) any legal opinion on the validity and enforceability in respect of the relevant Security Document, unless it is governed by Finnish or Swedish law, which, if requested by the Agent, shall also include customary opinions regarding the role of the Security Agent



in such jurisdiction (such as no residency or registration requirement and no need to deposit funds), issued by a reputable law firm.

- (b) The security provided pursuant to paragraph (a) above shall be subject to customary financial assistance and corporate benefit limitations.
- (c) Provided that no Event of Default has occurred and is continuing (i) payment of principal under Material Intra-Group Loans made for the purpose of making payments under the Bonds, and (ii) payment of interest under Material Intra-Group Loans shall be permitted.

#### **14. Events of Default and Acceleration of the Bonds**

Each of the events or circumstances set out in this Clause 14 (other than Clause 14.11 (*Acceleration of the Bonds*)) is an Event of Default.

##### **14.1 Non-Payment**

The Issuer or a Guarantor fails to pay an amount on the date it is due in accordance with the Finance Documents unless:

- (a) its failure to pay is caused by administrative or technical error; and
- (b) payment is made within five (5) Business Days of the due date.

##### **14.2 Maintenance Covenant**

The Issuer has failed to comply with the Maintenance Covenant.

##### **14.3 Other Obligations**

A party (other than the Agent) does not comply with its obligations under the Finance Documents, in any other way than as set out in Clauses 14.1 (Non-Payment) and 14.2 (Maintenance Covenant), provided that no Event of Default will occur if the failure to comply is capable of being remedied and the Issuer or that relevant other party has remedied the failure within twenty (20) Business Days of the earlier (i) the Issuer or that relevant other party becoming aware of the failure to comply and (ii) the Agent requesting the Issuer in writing to remedy such failure.

##### **14.4 Cross-acceleration**

Any Financial Indebtedness of a Group Company is:

- (a) not paid when due as extended by any originally applicable grace period (if there is one); or
- (b) 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 14.4 if (i) the aggregate amount of Financial Indebtedness that has fallen due is less than EUR 500,000 (or the equivalent thereof in any other currency) or (ii) it is owed to a Group Company.

##### **14.5 Insolvency**

- (a) Any Group Company (other than Citec Engineering France S.à r.l. and Citec OY AB Saudi & Partners) is unable or admits inability to pay its debts as they fall due or is declared to be unable to pay its debts under applicable law, suspends making payments on its debts generally or, by reason of actual or anticipated financial difficulties, commences negotiations with its creditors generally (except for Bondholders) with a view to rescheduling its Financial Indebtedness.
- (b) A moratorium is declared in respect of the Financial Indebtedness of any Group Company (other than Citec Engineering France S.à r.l. and Citec OY AB Saudi & Partners).

#### **14.6     *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 Business Days of commencement or, if earlier, the date on which it is advertised, (ii) proceedings or petitions concerning a claim which is less than EUR 500,000 (or the equivalent thereof in any other currency), and (iii), in relation to Subsidiaries, solvent liquidations) in relation to:

- (a) the suspension of payments, winding-up, dissolution, administration or reorganisation (Fi. *Yrityssaneeraus*, Sw. *företagsrekonstruktion*) (by way of voluntary agreement, scheme of arrangement or otherwise) of any Group Company (other than Citec Engineering France S.à r.l. and Citec OY AB Saudi & Partners); and
- (b) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any Group Company (other than Citec Engineering France S.à r.l. and Citec OY AB Saudi & Partners) or any of its assets or any analogous procedure or step is taken in any jurisdiction.

#### **14.7     *Mergers and demergers***

A decision is made that any Group Company shall be demerged or merged if such merger or demerger is likely to have a Material Adverse Effect, provided that a merger between Subsidiaries only or between the Issuer and a Subsidiary, where the Issuer is the surviving entity, made subject to existing security shall not be an Event of Default and a merger involving the Issuer, where the Issuer is not the surviving entity, shall always be considered an Event of Default and provided that a demerger of the Issuer shall be an Event of Default.

#### **14.8     *Creditors' Process***

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Group Company (other than Citec Engineering France S.à r.l. and Citec OY AB Saudi & Partners) having an aggregate value of an amount equal to or exceeding EUR 500,000 (or the equivalent thereof in any other currency) and is not discharged within 60 Business Days.

#### **14.9     *Impossibility or Illegality***

It is or becomes impossible or unlawful for the Issuer to fulfill 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.

#### **14.10    *Continuation of the Business***

The Issuer or any other Group Company ceases to carry on its business and such discontinuation is likely to have a Material Adverse Effect.

#### **14.11    *Acceleration of the Bonds***

- (a) Upon the occurrence of an Event of Default which is continuing but subject to the terms of the Intercreditor Agreement, the Agent is entitled to, and shall following a demand in writing from a Bondholder (or Bondholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount (such demand may only be validly made by a Person who is a Bondholder on the Business Day immediately following the day on which the demand is received by the Agent and shall, if made by several Bondholders, be made by them jointly) or following an instruction given pursuant to Clause 14.11(d), on behalf of the Bondholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Bonds due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.
- (b) The Agent may not accelerate the Bonds in accordance with Clause 14.11(a) by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Bondholders Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).
- (c) The Agent shall notify the Bondholders of an Event of Default within five (5) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing.

The Agent shall, within twenty (20) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing, decide if the Bonds shall be so accelerated. If the Agent decides not to accelerate the Bonds, the Agent shall promptly seek instructions from the Bondholders in accordance with Clause 16 (Decisions by Bondholders). The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.

- (d) If the Bondholders (in accordance with these Terms and Conditions) instruct the Agent to accelerate the Bonds, the Agent shall promptly declare the Bonds due and payable and take such actions as may, in the opinion of the Agent, be necessary or desirable to enforce the rights of the Bondholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- (e) If the right to accelerate the Bonds 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.
- (f) Subject to the Intercreditor Agreement, in the event of an acceleration of the Bonds in accordance with this Clause 14.11, the Issuer shall up to, but excluding, the First Call Date redeem all Bonds at an amount per Bond equal to the Call Option Amount set out in Clause 9.3(a)(ii) and thereafter, as applicable considering when the acceleration occurs, redeem all Bonds at an amount per Bond equal to the Call Option Amount for the relevant period.

## **15. Distribution of Proceeds**

- (a) All payments by the Issuer relating to the Bonds and the Finance Documents following an acceleration of the Bonds in accordance with Clause 14 (*Events of Default and Acceleration of the Bonds*) and any proceeds received from an enforcement of the Transaction Security or the Guarantees (in each case to the extent proceeds from the Transaction Security and the Guarantees can be applied towards satisfaction of the Secured Obligations) shall be distributed in accordance with the Intercreditor Agreement.
- (b) Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Bonds or the enforcement of the Transaction Security or the Guarantees constitute escrow funds (Sw. *redovisningsmedel*) and must be promptly turned over to the Security Agent to be applied in accordance with the Intercreditor Agreement.
- (c) If the Issuer or the Agent shall make any payment under this Clause 15, the Issuer or the Agent, as applicable, shall notify the Bondholders of any such payment at least fifteen (15) Business Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be paid. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 7(a) shall apply and for any partial redemption in accordance with Clause 9.4 (*Mandatory Partial Redemption*) and/or Clause 9.5 (*Voluntary Partial Redemption Upon an Equity Listing Event* (Equity *Clawback*)) due but not made, the Record Date specified in Clause 9.4(c) and Clause 9.5(c), as applicable, shall apply.

## **16. Decisions by Bondholders**

- (a) A request by the Agent for a decision by the Bondholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.
- (b) Any request from the Issuer or a Bondholder (or Bondholders) 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 Bondholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Bondholders' Meeting or by way 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 Bondholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Bondholders' Meeting.

- (c) The Agent may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any Person in addition to the Bondholders 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 or other authorisation pursuant to Clause 6 (Right to Act on behalf of a Bondholder) from a Person who is, registered as a Bondholder:
  - (i) on the Record Date prior to the date of the Bondholders' Meeting, in respect of a Bondholders' Meeting, or
  - (ii) on the Business Day specified in the communication pursuant to Clause 18(c), in respect of a Written Procedure,

may exercise voting rights as a Bondholder at such Bondholders' Meeting or in such Written Procedure, provided that the relevant Bonds are included in the definition of Adjusted Nominal Amount.

- (e) The following matters shall require the consent of Bondholders representing at least sixty-six and two thirds (66 2/3) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18(c):
  - (i) the issue of any Subsequent Bonds, if the total nominal amount of the Bonds exceeds, or if such issue would cause the total nominal amount of the Bonds to at any time exceed, SEK 500,000,000 (for the avoidance of doubt, for which consent shall be required at each occasion such Subsequent Bonds are issued);
  - (ii) a change to the terms of any of Clause 2(a), and Clauses 2(f) to 2(h);
  - (iii) a reduction of the premium payable upon the redemption or repurchase of any Bond pursuant to Clause 9 (*Redemption and Repurchase of the Bonds*);
  - (iv) a change to the Interest Rate or the Nominal Amount (other than as a result of an application of Clause 9.4 (Mandatory Partial Redemption) and/or Clause 9.5 (*Voluntary Partial Redemption Upon an Equity Listing Event (Equity Clawback)*);
  - (v) waive a breach of or amend an undertaking set out in Clause 13 (*General Undertakings*);
  - (vi) a change to the terms for the distribution of proceeds set out in Clause 15 (*Distribution of Proceeds*);
  - (vii) a change to the terms dealing with the requirements for Bondholders' consent set out in this Clause 16;
  - (viii) a change of issuer, an extension of the tenor of the Bonds or any delay of the due date for payment of any principal or interest on the Bonds;
  - (ix) a release of the Transaction Security or the Guarantees, except in accordance with the terms of the Finance Documents;
  - (x) a mandatory exchange of the Bonds for other securities; and
  - (xi) early redemption of the Bonds, other than upon an acceleration of the Bonds pursuant to Clause 14 (*Events of Default and Acceleration of the Bonds*) or as otherwise permitted or required by these Terms and Conditions.

- (f) Any matter not covered by Clause 16(e) shall require the consent of Bondholders representing more than 50 per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18(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 19(a)(i) or 19(a)(ii)), an acceleration of the Bonds, or the enforcement of any Transaction Security or Guarantees.
- (g) Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 16(e), and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:
  - (i) if at a Bondholders' Meeting, attend the meeting in person, by telephone conference or by other electronic means (or appear through duly authorised representatives); or
  - (ii) if in respect of a Written Procedure, reply to the request.

If a quorum exists for some, but not all, of the matters to be dealt with at a Bondholders' Meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.
- (h) If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 17(a)) or initiate a second Written Procedure (in accordance with Clause 18(a)), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Bondholders' consent. The quorum requirement in Clause 16(g) shall not apply to such second Bondholders' 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 appropriate.
- (j) A Bondholder holding more than one Bond 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 Bondholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Bondholders that consent at the relevant Bondholders' 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 Bondholders' Meeting or by way of Written Procedure is binding on all Bondholders, irrespective of them being present or represented at the Bondholders' Meeting or responding in the Written Procedure. The Bondholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Bondholders.
- (m) All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Bondholders' 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 Bondholders 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 Bonds owned by Group Companies or (to the knowledge of the Issuer) Affiliates as per the Record Date for voting, irrespective of whether such Person is directly registered as owner of such Bonds. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible for determining whether a Bond is owned by a Group Company or an Affiliate.
- (o) Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Bondholders and published on the websites of the Group 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 Bondholders' Meeting or Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Agent, as applicable.

**17. Bondholders' Meeting**

- (a) The Agent shall convene a Bondholders' Meeting by sending a notice thereof to each Bondholder no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(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 Bondholders' Meeting in accordance with Clause 17(a) with a copy to the Agent. After a request from the Bondholders pursuant to Clause 20.4(c), the Issuer shall no later than ten (10) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Bondholders' Meeting in accordance with Clause 17(a).
- (c) The notice pursuant to Clause 17(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 Bondholders) and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Bondholders' Meeting. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.
- (d) The Bondholders' Meeting shall be held no earlier than fifteen (15) Business Days and no later than thirty (30) 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 Bondholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Bondholders to vote without attending the meeting in person.

**18. Written Procedure**

- (a) The Agent shall instigate a Written Procedure (which may be conducted electronically) no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such Person who is registered as a Bondholder on the Business Day prior to the date on which the communication is sent.
- (b) Should the Issuer want to replace the Agent, it may instigate a Written Procedure by sending a communication in accordance with Clause 18(a) to each Bondholder with a copy to the Agent.
- (c) A communication pursuant to Clause 18(a) shall include (i) each request for a decision by the Bondholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a Person must be registered as a Bondholder 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 Bondholder must reply to the request (such time period to last at least fifteen (15) Business Days from the communication pursuant to Clause 18(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 16(e) and 16(f) have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 16(e) or 16(f), as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## **19. Amendments and Waivers**

- (a) The Issuer and the Agent and/or the Security Agent (as applicable) (in each case acting on behalf of the Bondholders) 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 Bondholders as a group, 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 Bondholders in accordance with Clause 16 (*Decisions by Bondholders*).
- (b) The consent of the Bondholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment or waiver.
- (c) The Agent shall promptly notify the Bondholders of any amendments or waivers made in accordance with Clause 19(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 11.3 (Publication of Finance Documents). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority, to the extent such registration is possible with the rules of the relevant CSD.
- (d) An amendment to the Finance Documents shall take effect on the date determined by the Bondholders Meeting, in the Written Procedure or by the Agent, as the case may be.

## **20. Appointment and Replacement of the Agent**

### **20.1 Appointment of Agent**

- (a) By subscribing for Bonds, each initial Bondholder:
  - (i) appoints the Agent to act as its agent in all matters relating to the Bonds 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 any legal or arbitration proceedings relating to the Bonds held by such Bondholder (including the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer) including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security and the Guarantees; and
  - (ii) confirms the appointment under the Intercreditor Agreement of the Security Agent to act as its agent in all matters relating to the Transaction Security, the Security Documents, the Guarantees and the Guarantee and Adherence Agreement, including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security and the Guarantees and acknowledges and agrees that the rights, obligations, role of and limitations of liability for the Security Agent is further regulated in the Intercreditor Agreement.
- (b) By acquiring Bonds, each subsequent Bondholder confirms the appointment and authorisation for the Agent and the Security Agent to act on its behalf, as set forth in Clause 20.1(a).
- (c) Each Bondholder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (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. The Agent is not under any obligation to represent a Bondholder which does not comply with such request.

- (d) 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.
- (e) The Agent is entitled to fees for its respective work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- (f) The Agent may act as agent or trustee for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

## **20.2 Duties of the Agent**

- (a) The Agent shall represent the Bondholders subject to and in accordance with the Finance Documents. The Agent is not responsible for the content, valid execution, legal validity or enforceability of the Finance Documents.
- (b) When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Bondholders. 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's duties under the Finance Documents are solely mechanical and administrative in nature and the Agent only acts in accordance with the Finance Documents and upon instructions from the Bondholders, unless otherwise set out in the Finance Documents. In particular, the Agent is not acting as an advisor (whether legal, financial or otherwise) to the Bondholders or any other Person.
- (d) The Agent is not is obligated to assess or monitor the financial condition of the Issuer or compliance by the Issuer of the terms of the Finance Documents unless to the extent expressly set out in the Finance Documents, or to take any steps to ascertain whether any Event of Default (or any event that may lead to an Event of Default) has occurred. Until it has actual knowledge to the contrary, the Agent is entitled to assume that no Event of Default (or any event that may lead to an Event of Default) has occurred.
- (e) The Agent is entitled to delegate its duties to other professional parties, but the Agent and each such professional party shall remain liable for the actions of such parties under the Finance Documents.
- (f) The Agent shall treat all Bondholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders 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 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, (ii) a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents or (iii) as otherwise agreed between the Agent and the Issuer. 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 15 (*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 its respective reasonable fees) in complying with instructions of the Bondholders, or taking any action at its own initiative, will not be covered by the Issuer, or the Bondholders (as applicable), the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.



- (j) Unless it has actual knowledge to the contrary, the Agent may assume that all information provided by or on behalf of the Issuer (including by its advisors) is correct, true and complete in all aspects.
- (k) The Agent shall give a notice to the Bondholders (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 (ii) if it refrains from acting for any reason described in Clause 20.2(h).

### **20.3 *Limited liability for the Agent***

- (a) The Agent will not be liable to the Bondholders 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. The Agent shall not be responsible for indirect loss.
- (b) The Agent shall not be considered to have acted negligently if it has acted in accordance with advice addressed to it from or opinions of reputable external experts or if it has acted with reasonable care in a situation when it considers that it is detrimental to the interests of the Bondholders to delay the action in order to first obtain instructions from the Bondholders.
- (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 it to the Bondholders, provided that it 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 it for that purpose.
- (d) The Agent shall not have any liability to the Bondholders for damage caused by it acting in accordance with instructions of the Bondholders given in accordance with the Finance Documents.
- (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 Bondholders under the Finance Documents.
- (f) The Agent is not liable for information provided to the Bondholders by or on behalf of the Issuer or any other Person.

### **20.4 *Replacement of the Agent***

- (a) Subject to Clause 20.4(f), the Agent may resign by giving notice to the Issuer and the Bondholders, in which case the Bondholders shall appoint a successor Agent at a Bondholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- (b) Subject to Clause 20.4(f), if the Agent is Insolvent, the Agent shall be deemed to resign as Agent 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) A Bondholder (or Bondholders) 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 Bondholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Bondholders, be given by them jointly), require that a Bondholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Bondholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Bondholders that the Agent be dismissed and a new Agent be appointed.
- (d) If the Bondholders 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 Bondholders, 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.
- (e) 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.

- (f) 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.
- (g) 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 Bondholders 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.
- (h) In the event that there is a change of the Agent in accordance with this Clause 20.4, 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. Unless the Issuer and the new Agent agree otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

## **21. Appointment and Replacement of the CSD**

- (a) The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the CSD regulations and the other regulations applicable to the Bonds.
- (b) The CSD may retire from its assignment or be dismissed by the Issuer provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Bondholder. The replacing CSD must be authorized to professionally conduct clearing operations pursuant to the Swedish Securities Markets Act (lag (2007:528) om värdepappersmarknaden) or Regulation (EU) no. 909/2014 and be authorized as a central securities depository in accordance with the Financial Instruments Accounts Act.

## **22. 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 Bonds.
- (b) The Issuing Agent may retire from its 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, as applicable, 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 as issuing agent in accordance with these Terms and Conditions.

## **23. No Direct Actions by Bondholders**

- (a) A Bondholder may not take any steps whatsoever against the Issuer or with respect to the Transaction Security or the Guarantees 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 (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer, any Guarantor or any Group Company in relation to any of the liabilities of the Issuer, any Guarantor or any Group Company under the Finance Documents. Such steps may only be taken by the Agent.
- (b) Clause 23(a) shall not apply if the Agent has been instructed by the Bondholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Bondholder to provide documents in accordance with Clause 20.1(c)), such actions within a reasonable period of time and such failure or inability is continuing. However, if

the failure to take certain actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or by any reason described in Clause 20.2(h), such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 20.2(i) before a Bondholder may take any action referred to in Clause 23(a).

- (c) The provisions of Clause 23(a) shall not in any way limit an individual Bondholder's right to claim and enforce payments which are due to it under Clause 9.6 (*Mandatory repurchase due to a Change of Control Event or a Delisting Event* (Put Option)) or other payments which are due by the Issuer to some but not all Bondholders.

## **24. Prescription**

- (a) The right to receive repayment of the principal of the Bonds shall be prescribed and become void ten (10) years from the Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be prescribed and become void three (3) years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Bondholders' right to receive payment has been prescribed and has become void.
- (b) If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (Sw. *preskriptionslag* (1981:130)), a new limitation period of ten (10) years with respect to the right to receive repayment of the principal of the Bonds, and of three (3) years with respect to receive payment of interest (excluding capitalised interest) will commence, in both cases calculated from the date of interruption of the limitation period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

## **25. Notices and Press Releases**

### **25.1 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 at the address registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on the Business Day prior to dispatch or, if sent by email by the Issuer, to the email address notified by the Agent from time to time;
  - (ii) if to the Issuer, shall be given at the address registered with the Finnish Trade Register on the Business Day prior to dispatch or if sent by email by the Agent, to the email address notified by the Issuer to the Agent from time to time; and
  - (iii) if to the Bondholders, shall be given at their addresses as registered with the CSD, on the Business Day prior to dispatch, and by either courier delivery (if practically possible) or letter for all Bondholders. A notice to the Bondholders shall also be published on the websites of the Group and the Agent.
- (b) 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, personal delivery or letter, or if between the Issuer and the Agent, by email, and will only be effective:
  - (i) in case of courier or personal delivery, when it has been left at the address specified in Clause 25.1(a);
  - (ii) in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 25.1(a); or
  - (iii) in case of email, on the day of dispatch (unless a delivery failure message was received by the sender), 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.

- (c) Failure to send a notice or other communication to a Bondholder or any defect in it shall not affect its sufficiency with respect to other Bondholders.

## **25.2 Press Releases**

- (a) Any notice that the Issuer or the Agent shall send to the Bondholders pursuant to Clauses 9.3 (*Voluntary Total Redemption (Call Option)*), 9.5 (*Voluntary Partial Redemption Upon an Equity Listing Event (Equity Clawback)*), 11.1(d), 14.11(c), 16(o), 17(a), 18(a) and 19(c) shall also be published by way of press release by the Issuer or the Agent, as applicable.
- (b) In addition to Clause 25.2(a), if any information relating to the Bonds or the Group contained in a notice the Agent may send to the Bondholders under these Terms and Conditions has not already been made public by way of a press release, the Agent shall before it sends such information to the Bondholders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Agent considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Bondholders, the Agent shall be entitled to issue such press release.

## **26. Force Majeure and Limitation of Liability**

- (a) None of the Agent, the Security Agent or the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade or any other similar circumstance (a "**Force Majeure Event**"). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent, the Security Agent or the Issuing Agent itself takes such measures, or is subject to such measures.
- (b) The Issuing Agent shall have no liability to the Bondholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.
- (c) Should a Force Majeure Event arise which prevents the Agent, the Security Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- (d) The provisions in this Clause 26 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

## **27. 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 Sweden.
- (b) The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (Sw. *Stockholms tingsrätt*).

## ADDITIONAL INFORMATION ON THE BONDS

Type of the Issue:	Private placement of Bonds, subsequent listing on the corporate bond list of Nasdaq Stockholm.
Ranking of the Bonds:	<p>The Bonds constitute direct and secured obligations of the Issuer ranking <i>pari passu</i> among themselves and at least <i>pari passu</i> with the unsecured obligations of the Issuer, save for obligations which are preferred by mandatory provisions of law.</p> <p>The Issuer may issue subsequent Bonds up to the aggregate amount of SEK 500,000,000 provided that the Incurrence test is met.</p>
Form of the Bonds, depository and settlement system:	Securities in dematerialized, book-entry form issued in the book-entry securities system maintained by Euroclear Sweden AB (Swedish Reg. No. 556112-8074, P.O. Box 191, 101 23 Stockholm, Sweden).
Issue Price:	Issue price of 100.00 per cent.
Minimum subscription amount:	SEK 1,250,000.
Denomination of a book-entry unit:	SEK 1,250,000.
Interest on the Bonds:	STIBOR 3 months plus a margin of 8.00 per cent. per annum.
Noteholders' Agent and Security Agent:	Nordic Trustee & Agency AB (publ).
Applicable law:	Swedish law.
Interests of the participants of the Offering:	<p>Interests of the Bookrunner: Business interest normal in the financial markets.</p> <p>Interests of the Agent and the Security Agent: Business interest normal in the financial markets.</p>
Estimated total expenses related to the Offering and the Listing:	The estimated total expenses incurred in connection with the Offering and Listing amount in aggregate to approximately SEK 10.6 million.
Estimated net proceeds related to the Offering:	The estimated net amount of proceeds of the Offering amount to approximately SEK 279.4 million.
Estimated time of listing:	On or about 8 December 2021.
Guarantees:	See " <i>Additional Information on the Guarantees, Transaction Security and Intercreditor Agreement</i> ".
Transaction Security:	See " <i>Additional Information on the Guarantees, Transaction Security and Intercreditor Agreement</i> ".
Intercreditor Agreement:	See " <i>Additional Information on the Guarantees, Transaction Security and Intercreditor Agreement</i> ".

## ADDITIONAL INFORMATION ON THE GUARANTEES, TRANSACTION SECURITY AND INTERCREDITOR AGREEMENT

*The following description is partly based on and must be read in conjunction with the Terms and Conditions of the Bonds. To the extent there is any discrepancy between the Terms and Conditions of the Bonds and the following description, the Terms and Conditions of the Bonds will prevail. Capitalized terms used have the same meaning as defined in the Terms and Conditions of the Bonds.*

### Guarantees and Transaction Security

The Issuer and certain material group companies have granted the Transaction Security and issued Guarantees for the due and punctual fulfilment of the Secured Obligations (i.e. all present and future obligations and liabilities of the Obligors to the Secured Parties under the Finance Documents (i.e. the Terms and Conditions of the Bonds, the Security Documents, the Guarantee and Adherence Agreement, the Intercreditor Agreement, the Agency Agreement and any other document designated by the Issuer and the Agent or the Security Agent as a Finance Document) as well as all present and future obligations and liabilities of the Group Companies to the Secured Parties under the Super Senior RCF and any other finance document related thereto, any Hedging Agreements and any debt incurred pursuant to item (h)(ii) in the definition of the Permitted Debt in the Terms and Conditions of the Bonds).

As at the date of this Prospectus, the following entities have issued Guarantees under the Guarantee and Adherence Agreement (together the “**Guarantors**”):

- the Issuer;
- Citec Group Oy Ab (business ID 2406561–8);
- Citec Oy Ab (business ID 1866176–3);
- Citec AB (reg. no. 556605–7476); and
- Citec Norway AS (org. no. 990 019 851).

As at the date of this Prospectus, the Transaction Security consists of:

- a Finnish law governed pledge by the shareholders of the Issuer over 100 per cent. of shares in the Issuer;
- a Finnish law governed pledge by the Issuer over 100 per cent. of shares in Citec Group Oy Ab and certain material intra-Group loans;
- a Finnish law governed pledge by Citec Group Oy Ab over 100 per cent. of shares in Citec Oy and business mortgages (Fi: *yrityskiinnitys*);
- a Finnish law governed pledge by Citec Oy Ab over business mortgages (Fi: *yrityskiinnitys*);
- a Swedish law governed pledge by Citec Oy Ab over 100 per cent. of shares in Citec AB;
- a Swedish law governed pledge by Citec AB over business mortgages (Swe: *företagshypotek*);
- a Norwegian law governed pledge by Citec Group Oy Ab over 100 per cent. of shares in Citec Norway AS.

The Guarantees and the Transaction Security have been granted subject to certain specific limitations set out in the Intercreditor Agreement and the Security Documents, as applicable, as well as certain limitation imposed by local law requirements in certain jurisdictions.

In accordance with the Terms and Conditions of the Bonds the Issuer shall procure that each Material Group Company shall be a Guarantor and that any further Subsidiary so designated by the Issuer shall accede to the Intercreditor Agreement as an ICA Company and to the Guarantee and Adherence Agreement as a Guarantor. Furthermore, subject to any legal restrictions on granting of Security and/or guarantees, the Issuer shall procure that the Group Companies provide additional Security for the obligations under the Finance Documents in the form of shares in any new Material Group Companies. The Issuer shall procure that Security is granted over any of its intra-Group loans amount of which equals to or exceeds EUR 500,000 (or its equivalent in other currencies) and term of which is at least 12 months.

The Transaction Security and the Guarantees are shared among the Bondholders, the Agent (including in its capacity as Agent under the Agency Agreement), the lender under the original Super Senior RCF or any subsequent Super Senior RCF, each hedging counterparty under the Hedging Agreements, creditors under any

New Debt and the Security Agent. The relative rights of the Secured Parties are described in more detail below under the section “*Intercreditor Agreement*”.

The Terms and Conditions and the Intercreditor Agreement provide that the Security Agent shall in certain circumstances take actions necessary to release the Guarantees and Transaction Security. For the avoidance of doubt, any Transaction Security or Guarantee will always be released in such way which does not affect the sharing between the Secured Parties of the remaining Transaction Security and Guarantees and/or the ranking and priority of the Secured Parties as specified in the Intercreditor Agreement.

### **Intercreditor Agreement**

In connection with the issue of the Bonds, the Issuer has entered into the Intercreditor Agreement, which regulates the relationship between the following parties:

- the Issuer;
- the Guarantors and intra-Group debtors (together the “**ICA Group Companies**”);
- the Security Agent (on behalf of the Secured Parties);
- the Agent (on behalf of the Bondholders);
- the lender under the Super Senior RCF (the “**Super Senior RCF Creditor**”);
- the hedge counterparty under the Hedging Agreement; and
- providers of any debt incurred pursuant to item (h)(ii) in the definition of Permitted Debt in the Terms and Conditions (the “**New Debt Creditors**”).

### **Ranking and Priority**

Pursuant to the Intercreditor Agreement, the Debt owed by the ICA Group Companies to the Secured Parties and the other relevant parties shall rank in all respects in right and priority of payment in the following order:

- (i) **first**, indebtedness to the creditors under the Super Senior RCF and the Hedging Agreements (“**Super Senior Debt**”) (*pari passu* between all indebtedness under the Super Senior RCF and the Hedging Agreements);
- (ii) **secondly**, all indebtedness outstanding under the Bonds and any document relating to any financial indebtedness incurred pursuant to item (h)(ii) in the definition of Permitted Debt in the Terms and Conditions of the Bonds and which ranks *pari passu* with the Bonds provided that the creditors under such debt have acceded to the Intercreditor Agreement (“**New Debt**”) (together all such indebtedness “**Senior Debt**”) (*pari passu* between all indebtedness under the Bonds and any New Debt);
- (iii) **thirdly**, any liabilities under any intercompany loans between members of the Group (“**Intercompany Debt**”); and
- (iv) **fourthly**, any liabilities raised in the form of shareholder debt (“**Shareholder Debt**”).

The Intercompany Debt shall be subordinated in accordance with the Intercreditor Agreement.

### **Order of Application**

Amounts received by the Security Agent following an insolvency event, an acceleration event and/or as a result of the enforcement of the Transaction Security or payments under any Guarantees will be applied in the following order:

- (i) **firstly**, in or towards payment *pro rata* of unpaid fees, costs, expenses and indemnities payable by the Issuer to the Security Agent (or its delegate);
- (ii) **secondly**, in or towards payment *pro rata* of unpaid fees, costs, expenses and indemnities payable by the Issuer and any Group Company to the Issuing Agent, the Super Senior RCF Creditor, the Agent and any agent representing creditors of any New Debt;
- (iii) **thirdly**, towards payment *pro rata* of accrued interest unpaid under the Super Senior RCF, the Intercreditor Agreement, the Guarantee and Adherence Agreement and the Security Documents (the “**Super Senior RCF Documents**”);
- (iv) **fourthly**, towards payment *pro rata* of principal under the Super Senior RCF and any other costs or outstanding amount under the Super Senior RCF Documents, and any close out amount and any other outstanding amounts under the Hedging Agreements;

- (v) **fifthly**, towards payment *pro rata* of accrued interest unpaid under the Senior Debt (interest due on an earlier Interest Payment Date to be paid before any interest due on a later Interest Payment Date);
- (vi) **sixthly**, towards payment *pro rata* of principal under the Senior Debt;
- (vii) **seventhly**, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents and any documents relating to New Debt;
- (viii) **eighthly**, after date when all principal, interest and any other costs or outstanding amounts under the Finance Documents, the Super Senior RCF, Hedging Agreements and any documents relating to New Debt have been irrevocably discharged in full (the “**Final Discharge Date**”), towards payment *pro rata* of accrued interest unpaid and principal under the Intercompany Debt;
- (ix) **ninthly**, after the Final Discharge Date, towards payment *pro rata* of accrued interest unpaid and principal under the Shareholder Debt; and
- (x) **tenthly**, after the Final Discharge Date, in payment of the surplus (if any) to the relevant ICA Group Company or other person entitled to it.

As a consequence of the order of application set out above, the Bondholders will in certain situations, for example in case of an enforcement of Transaction Security or Guarantees, receive payment only after certain fees and costs as well as accrued interest and principal under the Super Senior RCF or the Hedging Agreement or payable to the super senior creditors under the Intercreditor Agreement and the Security Documents have been repaid in full.

### ***Enforcement and Consultation***

Each of the Agent, the agent under any New Debt and the Super Senior RCF Creditor (the “**Representatives**”) may, under certain circumstances, propose enforcement actions to be taken by the Security Agent. Unless the Representatives agree on the proposed enforcement actions or an insolvency event has occurred, the Representatives shall consult for a period not more than of 30 days with a view on agreeing on enforcement instructions. After the end of the consultation period and provided that no agreement has been reached, the Agent as the representative of the holders of the Bonds shall, together with the agent under any New Debt, be entitled to give enforcement instructions to the Security Agent. However, if (A) no enforcement action has been taken by the Security Agent within 3 months from the end of the consultation period, or (B) the principal, interest and any other costs or outstanding amounts under the Super Senior Debt has not been discharged in full within 6 months from the end of the consultation period, then the Super Senior RCF Creditor shall instead become entitled to give enforcement instructions. If an insolvency event is continuing, the Super Senior RCF Creditor may take the same enforcement actions as the Agent or the agent under any New Debt in order to prove its debt in such insolvency.

A Secured Party which deems that the Security Agent does not fulfill its obligations with respect to the enforcement of Transaction Security or Guarantees may request that the Security Agent and the Representatives consult with a view on agreeing on the manner of enforcement. For further details on enforcement and consultation, please refer to the Intercreditor Agreement.

### ***Payment Block***

During certain major events of default under the Super Senior RCF, no payments of principal or interest in respect of the Senior Debt shall be made (notwithstanding any other provisions to the contrary in the Terms and Conditions or the Intercreditor Agreement). However, in respect of amounts under the Bonds, interest shall continue to accrue during such period and any overdue amounts shall carry default interest pursuant to the terms of the Terms and Conditions.

### ***Turnover***

The Intercreditor Agreement includes provisions for turnover of funds in the event of any creditor receiving payment in conflict with the intercreditor principles. The order of application described above shall apply regardless of any Transaction Security or Guarantees not being (for whatever reason) valid or enforceable in respect of the relevant secured creditor.

### ***Payments under Subordinated Debt***

Although the indebtedness owed under certain intercompany loans are subordinated to the Bonds, the relevant debtor may in certain circumstances make payments under such debt. The payment of principal and interest on intercompany loans shall, nevertheless, always be permitted if made for the purpose of serving debt to the Secured



Parties and such payment is made directly to the Secured Parties (represented by the Security Agent) for repayment of principal or payment of interest on such debt owed to the Secured Parties.

### ***Replacement of Super Senior RCF***

The Issuer is, from time to time and subject to certain conditions, entitled to replace the Super Senior RCF in full or in part with new debt facilities for working capital and general corporate purposes. The conditions for replacement of the Super Senior RCF include, *inter alia*, that the Transaction Security shall secure the revolving credit facility debt on same terms as the existing debt and the new revolving credit facility providers shall accede and adhere to the principles set out in the Intercreditor Agreement.

The Security Agent may from time to time amend vary and/or restate the Transaction Security and Guarantees, on behalf of itself and the Secured Parties in accordance with the terms of the Intercreditor Agreement.

### ***Security Agent***

The Secured Parties have appointed and authorized the Security Agent to hold and to act as its agent and representative with respect to the Security Documents, the Guarantees and the Intercreditor Agreement. The existing Security Agent may resign and a new Security Agent may be appointed in accordance with the procedures set out in the Intercreditor Agreement.

### **Entities Providing the Guarantees and Transaction Security**

The entities which have either issued Guarantees or provided Transaction Security or both are detailed below. The financial information presented of the companies in question is derived from separate financial statements of each entity in question for the financial year ended 31 December 2020 in accordance with the applicable local generally accepted accounting principles.

The principal risk factors that may affect the ability of the entities which have either issued Guarantees or provided Transaction Security or both to fulfil their obligations towards the holders of the Bonds are discussed under “*Risk Factors*” above. The entities, other than the Issuer, are direct or indirect subsidiaries of the Issuer.

### ***The Issuer***

A description of Sentiec Oyj is presented under sections “*Business of the Group*” and “*Board of Directors, Management and Auditors*”.

### ***Citec Group Oy Ab***

Citec Group Oy Ab (established 2 May 2011, business identity code 2406561-8) is a limited liability company established under Finnish law with its domicile in Vaasa, Finland. According to its articles of association, the company’s field of activity is to, either directly or through subsidiaries, own, possess and operate real estate and shares along with other securities, invest in companies that operate similar or accessory businesses to promote its own operations, finance other members of the group and companies in which the company owns shares in, together with operating as the parent company of the group the company belongs to.

As at the date of this Prospectus, the Board of Directors of Citec Group Oy Ab consists of the following persons: Johan Wentzel (chairman), Antti Keränen, Clas-Eirik Strand and Rune Westergård. The CEO of Citec Group Oy Ab is Johan Westermarck. The auditor of Citec Group Oy Ab is KPMG Oy Ab with Lotta Nurminen as the principal auditor. At the date of this Prospectus, the paid-in share capital of Citec Group Oy Ab is EUR 2,500 and it comprises 1,125,823 shares. As at 31 December 2020, Citec Group Oy Ab’s total assets were EUR 59 million, total equity was EUR 33 million (contains shareholder loans EUR 25 million) and net amount of cash and interest-bearing debt was a liability of EUR 21 million (shareholder loans EUR 25 million are included in equity and excluded from interest bearing debt). As the company is a holding company, it did not have any material sales for the financial year ended 31 December 2020.

### ***Citec Oy Ab***

Citec Oy Ab (registration date of establishment 30 April 2004, business identity code 1866176-3) is a limited liability company established under Finnish law with its domicile in Vaasa, Finland. According to its articles of association, the company's field of activity is, either directly or through a subsidiary, providing technical services to the field of industry. The company's field of activity additionally includes providing services in the field of technical documentation together with related consulting services and software development. The company also provides structural design for construction, construction contracting and consulting. The company's field of activity additionally includes investment activities and trading of securities.

As at the date of this Prospectus, the Board of Directors of Citec Oy Ab consists of the following persons: Johan Wentzel (chairman), Antti Keränen, Clas-Eirik Strand and Rune Westergård. The CEO of Citec Oy Ab is Sakari Koivuniemi. The auditor of Citec Oy Ab is KPMG Oy Ab with Lotta Nurminen as the principal auditor. At the date of this Prospectus, the paid-in share capital of Citec Oy Ab is EUR 40,000 and it comprises 2,800 shares. As at 31 December 2020, Citec Oy Ab's total assets were EUR 36 million, total equity was EUR 20 million and net amount of cash and interest-bearing debt was EUR 0 million. The Group has a global cash pool arrangement in place covering its European entities, in which Citec Oy Ab acts as the primary owner of the funds on the cash pool account. Global cash pool receivable from Citec Group Oy Ab (who was primary owner of the funds as of 31 December 2020) in the amount of EUR 17 million is not included in the net amount of cash and interest-bearing debt. For the year ended 31 December 2020, sales of Citec Oy Ab were EUR 46 million.

### ***Citec AB***

Citec AB (established 2001, reg. no. 556605-7476) is a limited liability company established under Swedish law with its domicile in Stockholm. According to its articles of association, the company's field of activity is, *inter alia*, operating within the consultancy business and offering qualified services within machinery construction, engineering design, assembly control and consulting services regarding technological information.

As at the date of this Prospectus, the Board of Directors of Citec AB consists of the following persons: Johan Westermarck (chairman) and Tuuli Kangasaho. The CEO of Citec AB is Fredrik Nilsson. The auditor of Citec AB is KPMG AB with Ulf Sundborg as the principal auditor. At the date of this Prospectus, the paid-in share capital of Citec AB is SEK 100,000 and it comprises 1,000 shares. As at 31 December 2020, Citec AB's total assets were EUR 3 million, total equity was EUR 2 million and net amount of cash and interest-bearing debt was EUR 0 million (cash pool receivable of EUR 1 million not included). For the year ended 31 December 2020, sales of Citec AB were EUR 6 million.

### ***Citec Norway AS***

Citec Norway AS (established 27 June 2006, org.no 990 019 851) is a limited liability company established under Norwegian law with its domicile in Asker. According to its articles of association, the company's field of activity is import/export, purchase and sale of merchandise, consultancy, industrial supplies and participation in other businesses.

As at the date of this Prospectus, the Board of Directors of Citec Norway AS consists of the following persons: Johan Westermarck (chairman), Espen Berg and Tuuli Kangasaho. The CEO of Citec Norway AS is Espen Berg. The auditor of Citec Norway AS is KPMG AS with Svein Wiig as the principal auditor. At the date of this Prospectus, the paid-in share capital of Citec Norway AS is NOK 400,000 and it comprises 400 000 shares. As at 31 December 2020, Citec Norway AS's total assets were EUR 5 million, total equity was EUR 3 million and net amount of cash and interest-bearing debt EUR 0 million (cash pool receivable of EUR 3 million not included). For the year ended 31 December 2020, sales of Citec Norway AS were EUR 8 million.

### **Absence of Conflict of Interest**

Other than Johan Westermarck, the chairman of the Board of Directors of Citec AB and Citec Norway AS and CEO of Citec Group Oy Ab, Tuuli Kangasaho, the member of the Board of Directors of Citec AB and Citec Norway AS, Fredrik Nilsson, CEO of Citec AB and Espen Berg, CEO of Citec Norway AS, the members of the Board of Directors, the CEO's or the managing directors, if any, of the entities providing Guarantees and/or Transaction Security do not have any conflict of interest between their duties relating to the Issuer and/or their other duties. Johan Westermarck, Tuuli Kangasaho, Fredrik Nilsson and Espen Berg hold a minority stake in the Issuer.

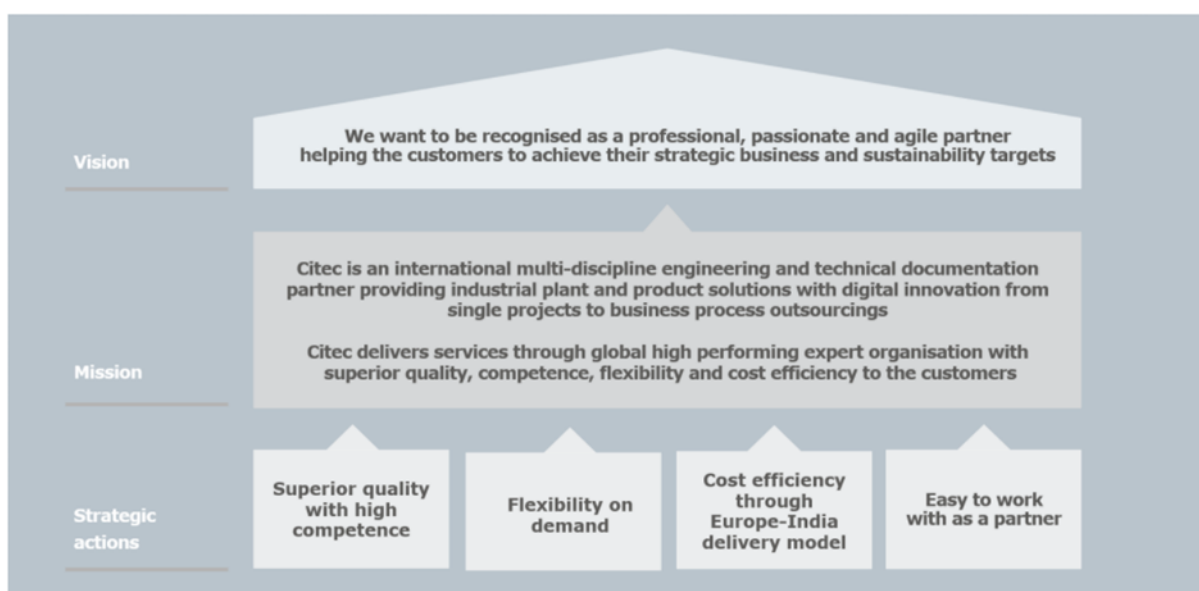
## BUSINESS OF THE GROUP

### Overview

The Issuer, Sentec Oyj, is a Finnish public liability company established on 8 October 2020 (registered on 19 October 2020) for the purpose of acquiring 100 per cent. of shares in Citec Group Oy Ab and thus acquiring control over Citec Group Oy Ab and its subsidiaries (“**Citec Group**”). The Issuer acts as the holding company for Citec Group.

Citec Group is an international multi-discipline engineering and technical documentation services group, originally founded in 1984 with headquarters in Vaasa, Finland. Citec Group operates in the energy, process, oil & gas & electrofuels and machinery & equipment sectors, where Citec Group provides engineering solutions for plants and products, technical documentation and digital solutions. Citec Group has operations in six countries and delivers projects to more than 120 different countries. Citec Group has a geographical presence in Finland, Norway, Sweden, Germany, France, and India, and through partner network presence in Russia and Saudi Arabia. Citec Group operates on the principle global resourcing – local presence. Citec Group has over 15-year long cooperation between group companies in Europe and India, which allows competitive costs and flexible resourcing.

The chart below illustrates Citec Group’s strategic intent in a nutshell:



Citec Group has three core values: Impact, Excellence and Respect. Citec Group has a passion for delivering exceptional results and to succeed together with its customers. Citec Group aims to continuously develop its competence to be able to offer its best expertise and quality to its customers. Citec Group treats co-workers and customers alike, with respect and equality.

As at 31 December 2020, Citec Group’s total assets were EUR 39 million and total equity was EUR 21 million and the net amount of cash and interest-bearing debt was an asset of EUR 6 million (shareholder loans totalling to EUR 25 million are included in equity and excluded from interest bearing debt). For the year ended 31 December 2020, sales of Citec Group totaled to EUR 73 million.

### Personnel

Citec Group has approximately 1,000 employees located in six countries. Citec Group has managed to attract and retain competent personnel, which is beneficial for upholding fruitful partnerships with customers. Citec Group’s workforce is characterised by a higher education focusing on engineering and technical documentation.

## ***History***

Sentica Buyout III Ky and Sentica Buyout III Co-Investment Ky (“**SBO III**”) invested in Citec Group and became Citec Group’s majority owner in 2011 in connection with a merger of Citec Engineering and Citec Information. Sentica Partners is an independent private equity company focusing on investing in and developing small and medium-sized companies with Finnish origin.

SBO III’s investment was followed by an active buy-and-build phase in Citec Group between 2011 and 2015. During the buy-and-build phase, Citec Group expanded its offering and presence through active and well targeted acquisitions. Citec Group conducted six deals with focus on adding selected capabilities and customers alongside of strengthening its international presence.

After completion of buy-and-build phase in 2015, Citec Group refocused on its core assets by platform consolidation between 2015 and 2017. Citec Group ruled out certain customers and changed its focus on key accounts, which led to a decreased top line. In order to mitigate the top line drop, Citec Group intake included also low margin projects which resulted a lower EBITDA-level in Citec Group. New management was appointed in December 2017 as Johan Westermarck was appointed as CEO of Citec Group, after which a new strategy was implemented as of 2018. Citec Group initiated a cost saving program together with a new organizational model, which resulted in further cost efficiency in Citec Group.

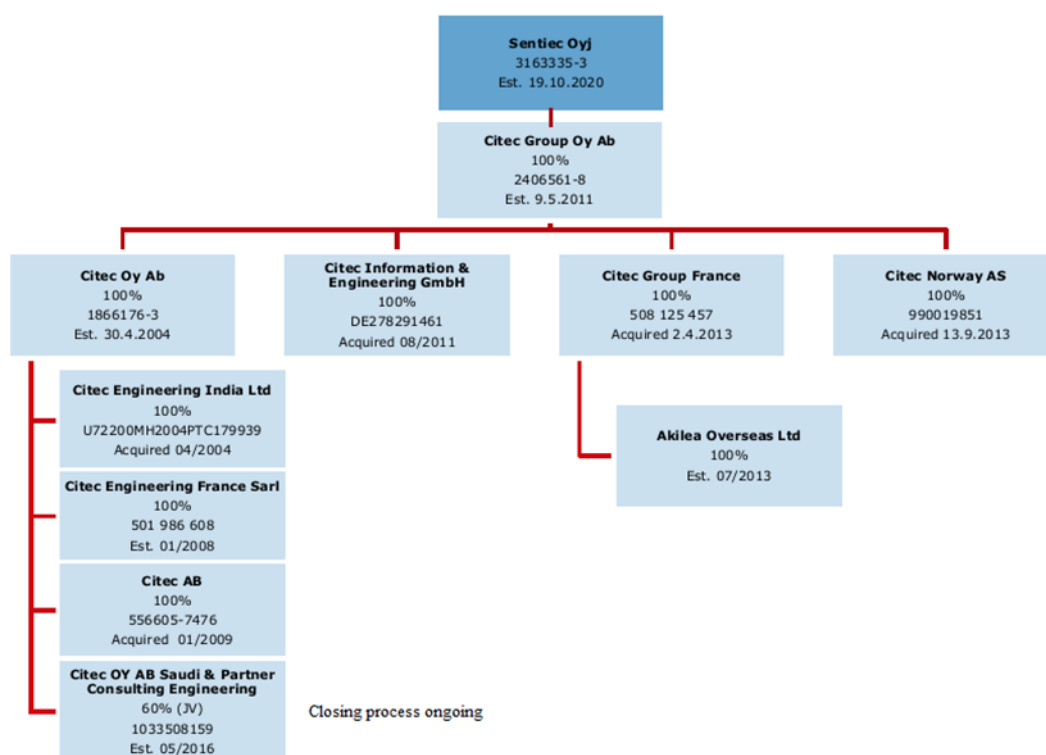
Following from successful cost saving programs and an updated strategic focus, Citec Group has experienced strong profitability improvement in recent years. Since 2020, Citec Group has focused on a profitable growth by systematically offering key services to selected key accounts to target value creation and increasing share of wallet in addition to integrating technical documentation and digital solutions to its services. As a part of Citec Group’s goal to develop its personnel’s competence, it has also integrated a scalable systematic delivery process and improved its project management, delivery processes and quality, as well as customer satisfaction levels.

In February 2021, the Issuer acquired 100 per cent. of the shares in Citec Group Oy Ab. The acquisition was made to restructure the ownership and to effectuate a recapitalization of Citec Group. The shares were acquired from former employees by SBO III, current management and holding company controlled by Citec’s founder Rune Westergård. After the completion of the acquisition and of the key employee investments in the Company in June 2021, the ownership of SBO III in Citec Group has increased from 64.7 per cent. to 78.86 per cent.

## ***Group Structure***

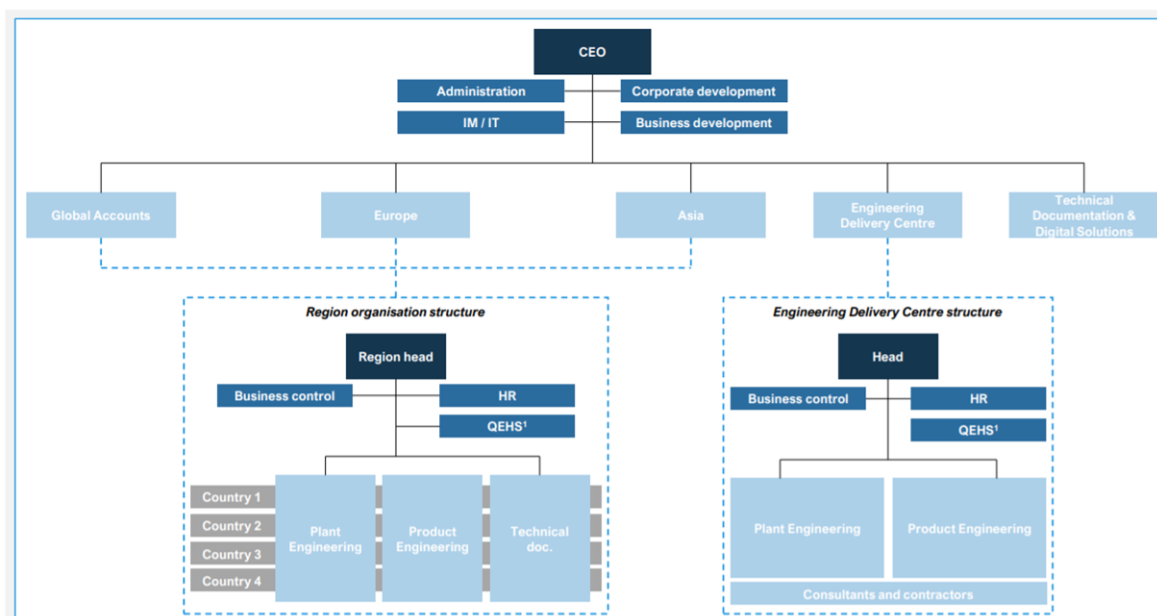
Citec Group includes, besides the Issuer, Citec Group Oy Ab and Citec Oy Ab in Finland, Citec AB in Sweden, Citec Norway AS in Norway, Citec Engineering India Ltd in India, Citec Engineering & Information GmbH in Germany, Citec Engineering France SARL in France and Citec Group France SAS in France. In addition, there is a company registered in the UK, Akilea Overseas Ltd. Citec Engineering Russia LLC has been closed during 2021. At the date of this Prospectus, the closing process of Citec OY AB Saudi & Partner Consulting Engineering is ongoing.

The following graph sets out the structure of the Group as at the date of this Prospectus.



The Issuer is a holding company of Citec Group and employs four persons. The Issuer provides administrative services to the group companies, in addition to which it has no other operative business. Therefore, the Issuer is dependent on the Group's financial and operating performance and upon receipt of sufficient income related to the operation of and the ownership in such entities.

Citec Group's operations are organized into three operating regions and Engineering Deliver Centre and Technical Documentation & Digital Solutions divisions. The following graph sets out the arrangement of Citec Group's operational activities.



## **Business Operations**

### ***Overview***

Citec Group's main assets comprise Citec Group's skilled employees and its delivery model in engineering services. According to the Issuer's management, Citec Group offers competences in its key service areas, providing customers with flexibility for load variations by reducing the need for in-house resources in non-core business areas, and cost efficiency via project resourcing capabilities in India. It serves customers across the energy, process, oil & gas & electrofuels and machinery & equipment sectors. The energy sector is Citec Group's largest industry sector, as approximately 60 per cent. of the revenue in 2020 was generated by customer projects from the energy sector.

Citec Group specialises in extended basic and detailed engineering, a part of the engineering process, by providing a critical part of the engineering workstream in project deliveries. In addition to project deliveries Citec Group provides continuing services and engineering consultancy to customers operational processes and projects. The Group's key services within detailed engineering includes plant engineering, product engineering and technical documentation together with digital solutions.

Citec Group's business includes delivery of services by undertaking projects or as expertise and resource enhancement in the form of consulting services to clients, with its core competences being in detailed engineering and technical documentation. Upon Citec Group engaging in a project, the services or products provided by the Group will form the basis for its client's further development and completion of the project.

Citec Group's key focus is on partnerships. Through a partnership-based project model Citec Group can integrate into customers' processes, providing potential for reduced costs and leveraged flexibility to manage load variations.

In 2020, approximately 80 per cent. of Citec Group's sales were generated by its Nordic companies, approximately 17 per cent. in Group companies in Central Europe and approximately 3 per cent. came from India.

### ***Global Sourcing***

Citec Group delivers significant part of its projects and services with global teams. Global teams enable added cost efficiency via Citec Group's project resourcing capabilities in India. Citec Group established its Indian offices in 2004. Citec Group has over 15-year long cooperation between Citec Europe and Citec India, during which the global delivery process has been optimized to allow for further cost reductions. Currently, Citec Group has two offices in India, at Mumbai and Pune having altogether approximately 500 employees.

In global sourcing, Citec Group's local teams focuses on the customer and industry specific engineering and customer interaction. Local teams are supported by Citec Group's delivery centres (Engineering Delivery Centre, "EDC" and Technical documentation and digital solutions team ("TDDS") in India. According to the Issuer's management, through the efficient use of delivery centres in India, Citec Group can offer competitive prices and provide customers with lower project costs compared with in-house resources. Citec Group benefits from its global sourcing in particular within a plant and product engineering segment.

In the end of 2020, Citec Group had a total of 476 experts in India in its Mumbai and Pune offices. Citec Group's annual employee costs are significantly lower in India than in other countries. While customers benefit from a cost reduction in detailed engineering compared to in-house resourcing, Citec Group is able to maintain own profits.

### ***Plant Engineering***

Citec Group has wide experience from more than 1,000 power plant deliveries globally during the last 35 years. With plant engineering, Citec Group aims to lower its clients' costs, assure good quality and timely plant delivery. Citec Group's multi-discipline engineering teams work according to harmonised operating models and integrated tools from the early design stages of the project allowing for reduction of material and installation costs.

### ***Product Engineering***

Citec Group has more than 10 years of experience in product engineering with strong understanding of device and product manufacturing. Citec Group acts as R&D centre or extended engineering department for many of its customers. In product engineering, Citec Group focuses on serving machinery and equipment customers.

### ***Engineering consultancy***

Citec Group provides also wide range of expertise as engineering consultancy from feasibility studies to site support for brown and green field needs.

### ***Technical Documentation and Digital Solutions***

Citec Group is often bundled in complete service packages, which may last longer for extended periods of time (18+ months). The Group acts as after-sales support and creates secured recurring revenues. Citec Group has developed its digital solutions, such as the 3DEncore software, together with its customers and third parties.

Digitalisation is a strategic development area for Citec Group as it enables more efficient engineering and project delivery. Digitalisation offers solutions for automating repetitive tasks in project management and daily operative work in addition to that it provides strong information management expertise. Digital solutions often reduce human errors which results in advanced quality of the work.

Citec Group has secured its key digital products by IPRs and it owns all IPRs to its digital products.

### ***Cost Structure***

As an international engineering services company, Citec Group's main cost item is its engineering workforce. During the years 2017–2020, Citec Group's personnel expenses have amounted to approximately between 57 and 66 per cent. of Citec Group's total expenses. Majority of Citec Group's costs related to materials and services relate to subcontracting expenses (typically between 8 and 14 per cent. of the annual costs). Other operating expenses relate to e.g. IT costs, premises, external services, travel expenses, insurance and marketing. Majority of premises costs relate to the rental costs of Citec Group's offices in India and Finland.

The Group's cost savings programs and increased utilisation of subcontractors resulted in Citec Group's improved cost structure and flexibility. The cost saving program was carried out in two waves. In 2018, Citec Group made optimisations to its offices in Finland, Sweden and India as well as reduced its total IT expenses. As a part of the cost saving program, Citec Group also reduced its headcount in Finland, Sweden, Norway, France, Germany and India. The second wave of the cost saving program began in 2019, which included further reductions to the headcount in Germany and IT expenses. The second cost saving program continued through 2020 and is still ongoing. In connection with the cost saving program, Citec Group has also reduced its premises related costs.

### ***Client Engagement Model***

Citec Group has over 20 years of experience in integrating with customers' engineering departments. Citec Group's client engagement model varies from new customers to full partners as Citec Group engages with different types of customers. Key customers are offered complete outsourcing services with co-creation of engineering solutions together with the customer. Some customers are provided one time or infrequent projects and such customers enable Citec Group to increase or balance its utilisation rate. On average, Citec Group's utilization rate has been slowly increasing in the recent years. Citec Group continuously works on deepening customer relationships with an aim to convert customers becoming preferred partners.

### ***Partnership Model***

Citec Group's key focus is on partnerships, enabling customers to fully focus on their core competences. Citec Group's project delivery model combines client interface with close customer proximity and cost-efficient resourcing capabilities from its engineering delivery centre in India. Citec Group provides integrated service

offering by becoming a critical part of the customers' engineering delivery processes, which is appreciated by customers given the potential for managing workload fluctuation and achieving cost savings.

Partnership-based model integrates Citec Group into customers' delivery processes, eliminating the need for in-house resources and increasing efficiency & reducing costs as functioning cooperation models have been established. Partnership-based model provides view of customer pipelines, which allows anticipating workload peaks and reserving resources needed in advance in order to enable that projects are delivered on-time, in budget and with good quality.

There are a number of benefits for Citec Group's customers to utilize Citec Group's services based on partnership model. Partnering in detailed engineering is beneficial for OEMs as they can reduce their in-house detailed engineering resources, gain flexibility for load variations, and realise immediate project cost savings. According to the Issuer's management, detailed engineering is typically less industry dependent and not of core competence for OEMs, whereas Group's focused service offering has built up critical know-how and expertise within Citec Group. Through Citec Group's engineering partnership model, customers may reduce the typical bottlenecks in engineering delivery and the costs of overcapacity.

Citec Group has built up strong customer relationships over decades of close cooperation, resulting in some cases in outsourcings of OEMs' non-core engineering and technical documentation departments. Citec Group's customer base comprises a range of global blue-chip companies, consisting of technology OEMs and EPCs. Deep customer relationships built up over decades of close cooperation has also resulted in preferred partnerships and continuous service contracts which ensure stable revenue for the Group. Vast majority of Citec Group's revenues are generated from recurring customers as more than 50 per cent. of revenues in the financial year ended 31 December 2020 were generated from accounts that have been with Citec Group for more than 10 years. Key accounts provide the majority of Citec Group's revenues, and while Citec Group experiences some level of customer concentration, the number of delivered projects exceeds 1,000 p.a., mitigating project-specific risk.

A well-functioning subcontracting network is important in providing access to special competences and also internal flexibility to mitigate variation in customer volumes. Citec Group has adjusted its use of subcontractors during the recent years, but maintained a sufficient level to ensure flexible service.

### ***Pricing Model***

The projects that Citec Group engages in have different pricing mechanisms, where some projects are performed for a pre-agreed fixed price or target price, some are framework agreements with mixture of fixed price and hourly rates component and, some are only hourly rates. In 2020, projects and services charged with hourly prices equaled to approximately 70 per cent. of Citec Group's sales whereas approximately 30 per cent. of sales were generated through fixed or target fee project or service contracts.

Projects that are charged on a "time & material" basis, the price per hour is stipulated usually in frame agreements, guaranteeing efficient project engagements and faster delivery times. By focusing on hourly pricing, the Group aims to mitigate the risk for cost overruns in projects and forecast project margins better. The Group usually strives to limit its liability to total order value.

### ***ESG cornerstones***

Citec Group is committed to the 10 principles of the UN Global Compact through its Code of Conduct.

#### ***Environment***

Citec Group is ISO 14001 certified.

Through Environment work Citec Group aims to impact on air emissions, effluent discharges, waste arisings, land contamination, use of natural resources, and to promote respective for the customers.

Citec Group has adopted the United Nations (the "UN") Sustainable Development Goals ("SDGs"). The most relevant SDGs in Citec Group's services to its customers are Affordable and Clean Energy (Goal 7), Industry, Innovation and infrastructure (Goal 9), Sustainable Cities and Communities (Goal 11), Climate Action (Goal 13) and Life on Land (Goal 15). According to Citec's management, the most relevant UN SDGs towards Citec Group's



own employees are Good Health and Well-Being (Goal 3), Quality Education (Goal 4), Gender Equality (Goal 5) and Reduced Inequalities (Goal 10). Citec Group is aiming to be a supplier of climate related solutions in the engineering industry and focuses on renewable energy and energy solutions in line with the new sustainability targets. The declining importance of oil is a megatrend which is expected create opportunities and additional business potential for Citec Group.

Citec Group is actively working towards reducing Citec Group's carbon footprint by reducing office space, consumption volumes of paper and reducing the travel of engineers. Citec Group also has several ongoing environmental related projects together with its customers and partners.

### *Social*

Respect is one of Citec Group's core values and the Group treats all co-workers and customers with respect and equality. Citec Group donates to selected charities, focused on e.g. education and the environment, on an annual basis. In India social responsibility activities are to certain extent mandatory and Citec Group naturally adheres to these regulations.

Citec Group has also put in place preventive measures in order to mitigate accidents and sick leaves, e.g. recommendations to reduce travel and guidelines for safe traffic behavior. There were not any accidents in Citec Group during 2020.

Citec Group expects that its partners, suppliers and customers have equivalent Codes of Conduct that Citec Group has committed to. In its sales processes, Citec Group's evaluates all Code of Conduct related obstacles before it may start the cooperation. Citec Group has adopted its own Supplier Policy.

### *Governance*

Citec Group is ISO 9001 certified. Citec Group has implemented a wellbeing concept focusing on physical, mental and social wellbeing as well as the workplace environment. Additionally, Citec Group has focused on providing continuous skill development and interesting career opportunities through personnel training.

Citec Group has put in place Code of Conduct that includes policies regarding human rights and personal interests, corruption, anti-bribery and fair competition, data protection and environment and assets. In addition, Citec Group has a mandatory compliance training for all its employees as a part of induction process and implements a whistleblowing channel together with related processes. Compliance related e-learning, such as regarding data privacy are available on the intranet to all employees. Citec Group has launched mandatory Sanctions and Export Control check process for all its project deliveries. Internal compliance audits are conducted annually by Compliance Officer.

## **Recent Events**

### ***COVID-19 Pandemic***

Following the outbreak of the COVID-19 pandemic in March 2020, Citec Group reacted immediately by setting up a task force focusing on five different streams: customers, operations, personnel & office, IM/IT, and communications. Citec Group had budgeted revenue growth for 2020, and had delivered on expectations during the first four months of the year. However, the COVID-19 outbreak impacted revenues with a slight delay and started to be observable by May of 2020 and revenues in 2020 decrease 6 per cent. compared to last year. During 2021 Citec Group's revenue has increased compared to year 2020. Cumulative revenue at the end of 1H/2021 was 5 per cent. higher than 1H/2020.

While revenues were lagging 6 per cent. behind YTD 12/19, Citec Group has been able to improve profitability. As a result of increased utilization of Indian resources, less utilization of external sub-consultants and a stringent cost savings plan regarding office expenses, travel, events, halt of salary increases and recruitments, Citec Group has been able to improve its profitability level despite the decline in revenues. Reported EBITDA increased 16 per cent. in 2020 compared to previous year. Current situation with COVID-19 pandemic creates still uncertainty on the market and causes postponement in the projects affecting still to Citec Group's operations and revenue in 2021.

## ***Legal and Regulatory Proceedings***

Except as discussed below, in the 12 months preceeding the date of this Prospectus, the Issuer has not been involved in any governmental, legal or arbitration proceedings which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Issuer and/or the Group, nor is the Issuer aware of any pending proceedings or the threat thereof and, except as discussed below, in the 12 months preceeding the date of this Prospectus, none of the Guarantors have been involved in a governmental, legal or arbitration proceedings which may have, or have had in the recent past, a significant effect on the financial position or profitability of that Guarantor and/or the Group, nor is any of the Guarantors aware of any pending proceedings or the threat thereof.

As at the date of this Prospectus, the Group is involved in one larger dispute where a customer of one of the Issuer's subsidiaries, Citec Engineering France S.à r.l. ("CFRA"), has presented a claim against CFRA in a maximum amount of approximately EUR 2 million. The claim was first presented in March 2020. According to the claimant, CFRA made an error in connection with designing and building a flue gas treatment plant. The matter was looked into by technical experts and by the insurance providers of the claimant and CFRA. Since then, the insurance provider of CFRA has denied the basis of the claim and the dispute is pending technical information from the demanding party and therefore the Group has not been able to accept the merit of the claim itself. Further, there has not been provided sufficient evidence on the correctness of the claimed amount and thus the Issuer's management currently considers the claimed amount to be an unproven estimation by the claimant. Furthermore, the insurance provider of CFRA has preliminarily indicated that any proceeds of the claim up to the amount of EUR 2 million could be covered by CFRA's consultancy insurance. As at the date of this Prospectus, the Issuer's management is not able to take a further stand on the probability of the outcome of the claim. Neither the Issuer nor any of the Guarantors are subject to the claim.

As at the date of this Prospectus, Citec Group Oy Ab has two pending rectification requests (Fi: *oikaisuvaatimus*) with the Finnish Tax Administration concerning the deductibility of paid interest expenses relating to certain related-party loans. In 2020, Citec Group Oy Ab submitted the two rectification requests in respect of tax years of 2014 and 2017 to the effect that the interest expenses that had been previously treated as non-deductible expenses would be treated as deductible expenses on the basis of an equity-ratio-based exemption rule provided in the Finnish tax legislation. The interest expense items are in the amounts of EUR 1.4 million and EUR 0.9 million for 2014 and 2017, respectively. As Citec Group Oy Ab has already treated such interest expenses as non-deductible items in its taxation, should the outcome of the pending processes be favourable to the Group, it could have positive effect on the financial position and profitability of the Group. Furthermore, the Group is currently assessing the deductibility of interest expenses relating to related-party loans in respect of tax years of 2015 and 2016 on the same basis and, should the Group consider the position to be similar to the tax years of 2014 and 2017, the Group is expected to submit corresponding rectification requests to the Finnish Tax Administration.

## ***Material Agreements***

The Issuer has not entered into any material contracts (other than the agreements discussed in section "*Financial and Other Information – Key Financial Agreements*" and contracts entered into in its ordinary course of business) which could result in any Group company being under an obligation or entitlement that is material to the Issuer's ability to fulfil its obligations to the Bondholders.

## **MARKET OVERVIEW**

### **Overview**

According to the Issuer's management, the Group has a strong position in the industrial engineering and technical documentation services market. Although the majority of the Group's customers are headquartered in the Nordics, the Group operates globally. The Group has broad geographical exposure as the end users of its services are located all around the world.

### **Sentiec's Business Environment and Growth Opportunities**

The following review is based on the Issuer's management's estimates.

The engineering market is divided in two main groups: 1) engineering companies that provide a broad service portfolio to a wide range of industries, and 2) niche engineering service providers offering a number of specific

engineering services and mostly targeting a limited amount of industries. The Group has unique position in the engineering consulting market, being one of few companies primarily focusing on detailed engineering and technical documentation to a few selected industries. Etteplan, which has a significant focus on detailed engineering, is considered to be one of the Group's main competitors.

In Sweden, the industrial engineering market is strongly connected to the Swedish manufacturing and export industries, which have performed well in recent years. In Norway, industrial engineering is heavily affected by the oil & gas industry and its recent downturn, although the outlook for Norway is relatively stable for the coming years. A trend to focus on core competencies has been visible on the Finnish market, increasing the engineering services market. In Denmark, the industrial engineering market has remained relatively small compared to the other Nordic markets. In overall, industrial engineering services market in the Nordics has performed well in recent years. According to the Issuer's management, the industrial engineering services market has grown steadily during the last few years and similar trend is expected to continue in the coming years.

Citec Group has high exposure to the global energy and power sector as more than half of annual revenue is generated from customers active in the energy and power sector. Rest of the annual revenue is split among companies active in process, oil & gas and electrofuels and machinery and equipments.

Citec Group positions itself as a strategic partner to selected original equipment manufacturers (OEMs) and other technology providers and views their annual spend in detailed engineering as its core market. The Group has broad geographical exposure as the end users of its services are located all around the world. As of 2020, Citec Group's focus has been on growth with key accounts. It aims to integrate technical documentation and digital solutions and build a scalable systematic delivery process with competence development.

Key trends affecting engineering are sustainability, industrial automation and digitalization as well as regulation. Sustainability is an industry wide trend demanding new capabilities from engineering service providers. An increasing demand for sustainable solutions requires more engineering, thus increasing the demand for the Group's services. Digitalization is vital for cost efficiency. Customers are increasing the digitalization of the products and plants, increasing the amount of engineering by demanding new capabilities and thus increasing the number of updates needed. OEMs are facing an increasing amount of regulation due to sustainability, safety and quality reasons, increasing the amount spent on engineering activities. Global protectionism might cause stricter standards and regulations for imports, increasing the need for engineers.

The key drivers in the engineering market and for Citec Group's services in such markets vary between industry sectors. In the energy & power sector, demand for the Group's services is driven by power sector capex on fossil fuels and renewable technologies as Citec Group's key customers are active in diesel engines, gas engines and gas turbines. In process industry, which is a significant sector to Citec, also capex is a key driver. In the industrial products sector where Citec Group's largest customers include railway vehicle producers and industrial conglomerates, global capex on industrial products drives demand for its product engineering services. In the oil, gas and electrofuels sector, capital expenditure in Middle-Eastern, European and Russian oil & gas markets drives demand for engineering services. Citec Group's customers are mainly active in upstream (on- and offshore) and midstream (process & storage, transport) segments.

Independent of industry sector, sustainability, industrial automation, modularization, off-shoring and outsourcing the non-core processes trends are impacting. Citec Group estimates to be well positioned to assist and capitalize on its customers' transition towards a more sustainable future. Some of Citec Group's recent major projects were assisting large industrial companies reaching their sustainability targets, through e.g. optimizing customer's energy systems and future-proofing their assets, increasing the use of clean fuels in marine industry and decreasing the use of fuel consumption.

## FINANCIAL AND OTHER INFORMATION

### Historical Financial Information

Before the Listing, the Group has prepared its consolidated financial statements in accordance with the Finnish Accounting Standards (“FAS”) and each member of the Group prepares its statutory financial statements in accordance with the relevant Generally Accepted Accounting Principles (“GAAP”) as in force from time to time. Beginning from the financial year ending on 31 December 2021, the Group will prepare its consolidated financial statements in accordance with the International Financial Reporting Standards (“IFRS”), as adopted in the European Union.

As the Issuer is a holding company established in late 2020 with no operational business, the historical financial information in this Prospectus comprises the audited consolidated financial statements of Citec Group as at and for the financial years ended 31 December 2020 and 31 December 2019 (FAS) and the audited financial statements as at and for the financial period ended 31 December 2020 of the Issuer (FAS). Citec Group’s audited consolidated financial statements as at and for the financial years ended 31 December 2020 and 31 December 2019 and the audited financial statements as at and for the financial period ended 31 December 2020 of the Issuer have been incorporated into this Prospectus by reference. Save for the historical financial information incorporated into this Prospectus by reference, no part of this Prospectus has been audited.

### IFRS Project

The International Financial Reporting Standards (IFRS) comprise IFRSs and the International Accounting Standards (“IAS”) issued by the International Accounting Standards Board (IASB), as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRS IC) and the Standing Interpretations Committee (SIC). From the year ending 31 December 2021, the consolidated financial statements of the Group shall be prepared in accordance with IFRS. The Group is the process of assessing the impact of the adoption of these standards (the “IFRS Project”).

The Issuer has prepared the following unaudited preliminary IFRS financial information for the year ended 31 December 2020 consisting of the reconciliations of the consolidated comprehensive income statement, consolidated balance sheet and the key figures. The financial information presented also includes the preliminary IFRS opening balance as of the IFRS transition date 1 January 2020.

The financial information presented is unaudited and preliminary, except the income statement and the balance sheet prepared in accordance with FAS for the years ended 31 December 2019 and 31 December 2020.

#### PRELIMINARY CONSOLIDATED OPENING IFRS BALANCE SHEET - RECONCILIATION

01-01-2020	FAS	1	2	3	4	5	IFRS	IFRS
1 000 eur	31-12-2019	Lease agreements	Pension obligations	Reversal of goodwill amortization	Deferre d taxes	Other adjustments	IFRS adj. total	01-01-2020
<b>ASSETS</b>								
<b>Non Current assets</b>								
Right of use assets	0	6,686	0	0	0	0	6,686	6,686
Intangible assets	20,629	0	0	0	0	0	0	20,629
Tangible assets	1,184	0	0	0	0	0	0	1,184
Investments	5	0	0	0	0	0	0	5
Long-term receivables	40	0	0	0	0	0	0	40
Deferred tax receivable	0	0	370	0	1,544	0	1,913	1,913

<b>Non Current assest total</b>	<b>21,858</b>	<b>6,686</b>	<b>370</b>	<b>0</b>	<b>1,544</b>	<b>0</b>	<b>8,600</b>	<b>30,457</b>
<b>Current assets</b>								
<i>Accounts receivable and other receivables</i>								
Accounts receivable	10,887	0	0	0	0	-67	-67	10,820
Other receivables	2,719	0	0	0	0	-108	-108	2,611
Accrued income and deferred expenses	1,807	0	0	0	0	0	0	1,807
<i>Cash and cash equivalents</i>								
Cash at bank	3,496	0	0	0	0	0	0	3,496
<b>Current assets total</b>	<b>18,910</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-176</b>	<b>-176</b>	<b>18,734</b>
<b>Assets total</b>	<b>40,767</b>	<b>6,686</b>	<b>370</b>	<b>0</b>	<b>1,544</b>	<b>-176</b>	<b>8,424</b>	<b>49,191</b>
Share capital	3	0	0	0	0	0	0	3
Unrestricted equity fund	11,235	0	0	0	0	0	0	11,235
Other reserves	0	0	0	0	0	-7	-7	-7
Capital loans	25,215	0	0	0	0	0	0	25,215
Restructuring reserve	0	0	0	0	0	0	0	0
Translation reserve	0	0	0	0	0	-667	-667	-667
Retained earnings	-16,489	0	-862	0	1,246	607	991	-15,498
<b>Equity total</b>	<b>19,964</b>	<b>0</b>	<b>-862</b>	<b>0</b>	<b>1,246</b>	<b>-67</b>	<b>317</b>	<b>20,280</b>
<b>Non current liabilities</b>								
Lease liabilities	0	4,208	0	0	0	0	4,208	4,208
Provisions	2,791	0	1,232	0	0	-233	998	3,790
Deferred tax liabilities	0	0	0	0	298	0	298	298
<b>Non current liabilities total</b>	<b>2,791</b>	<b>4,208</b>	<b>1,232</b>	<b>0</b>	<b>298</b>	<b>-233</b>	<b>5,504</b>	<b>8,295</b>
<b>Current liabilities</b>								
Loans from financial institutes	3,800	0	0	0	0	0	0	3,800
Lease liabilities	0	2,478	0	0	0	0	2,478	2,478
<i>Accounts payable and other current liabilities</i>								

Advances received	907	0	0	0	0	0	0	907
Accounts payable	2,500	0	0	0	0	0	0	2,500
Accruals and deferred income	7,481	0	0	0	0	125	125	7,606
Other current liabilities	3,325	0	0	0	0	0	0	3,325
<b>Current liabilities total</b>	<b>18,013</b>	<b>2,478</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>125</b>	<b>2,603</b>	<b>20,616</b>
<b>Liabilities total</b>	<b>20,804</b>	<b>6,686</b>	<b>1,232</b>	<b>0</b>	<b>298</b>	<b>-108</b>	<b>8,107</b>	<b>28,911</b>
<b>Equity and liabilities total</b>	<b>40,767</b>	<b>6,686</b>	<b>370</b>	<b>0</b>	<b>1,544</b>	<b>-176</b>	<b>8,424</b>	<b>49,191</b>

#### PRELIMINARY CONSOLIDATED CLOSING IFRS BALANCE SHEET – RECONCILIATION

31-12-2020	FAS	1	2	3	4	5	IFRS	IFRS
1 000 eur	31-12-2020	Lease agreements	Pension obligations	Reversal of goodwill amortization	Deferred taxes	Other adjustments	IFRS adj. total	31-12-2020
<b>ASSETS</b>								
<b>Non Current assets</b>								
Right of use assets	0	5,310	0	0	0	0	5,310	5,310
Intangible assets	18,219	0	0	2,529	0	-314	2,216	20,435
Tangible assets	1,156	0	0	0	0	179	179	1,335
Long-term receivables	40	0	0	0	0	0	0	40
Deferred tax receivable	0	0	507	0	2,049	0	2,556	2,556
<b>Non Current assest total</b>	<b>19,415</b>	<b>5,310</b>	<b>507</b>	<b>2,529</b>	<b>2,049</b>	<b>-134</b>	<b>10,261</b>	<b>29,676</b>
<b>Current assets</b>								
<b>Accounts receivable and other receivables</b>								
Accounts receivable	11,054	0	0	0	0	-46	-46	11,008
Other receivables	1,547	0	0	0	0	-95	-95	1,452
Accrued income and deferred expenses	1,433	0	0	0	0	0	0	1,433
<b>Cash and cash equivalents</b>								

Cash at bank	5,597	0	0	0	0	0	0	5,597
<b>Current assets total</b>	<b>19,631</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-141</b>	<b>-141</b>	<b>19,490</b>
<b>Assets total</b>	<b>39,046</b>	<b>5,310</b>	<b>507</b>	<b>2,529</b>	<b>2,049</b>	<b>-275</b>	<b>10,120</b>	<b>49,167</b>
<b>EQUITY</b>								
Share capital	3	0	0	0	0	0	0	3
Unrestricted equity fund	11,389	0	0	0	0	0	0	11,389
Other reserves	0	0	0	0	0	-27	-27	-27
Capital loans	25,215	0	0	0	0	0	0	25,215
Translation reserve	0	0	0	0	0	-1,320	-1,320	-1,320
Retained earnings	-15,633	-53	-1,028	2,529	1,773	2,266	5,487	-10,146
<b>Equity total</b>	<b>20,974</b>	<b>-53</b>	<b>-1,028</b>	<b>2,529</b>	<b>1,773</b>	<b>920</b>	<b>4,141</b>	<b>25,114</b>
<b>LIABILITIES</b>								
<b>Non current liabilities</b>								
Lease liabilities	0	3,029	0	0	0	0	3,029	3,029
Provisions	4,523	0	1,535	0	0	-1,798	-263	4,260
Deferred tax liabilities	0	0	0	0	277	0	277	277
<b>Non current liabilities total</b>	<b>4,523</b>	<b>3,029</b>	<b>1,535</b>	<b>0</b>	<b>277</b>	<b>-1,798</b>	<b>3,042</b>	<b>7,565</b>
<b>Current liabilities</b>								
Lease liabilities	0	2,334	0	0	0	0	2,334	2,334
<i>Accounts payable and other current liabilities</i>								
Advances received	564	0	0	0	0	0	0	564
Accounts payable	1,984	0	0	0	0	0	0	1,984
Accruals and deferred income	8,686	0	0	0	0	604	604	9,289
Other current liabilities	2,316	0	0	0	0	0	0	2,316
<b>Current liabilities total</b>	<b>13,550</b>	<b>2,334</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>604</b>	<b>2,937</b>	<b>16,487</b>
<b>Liabilities total</b>	<b>18,073</b>	<b>5,363</b>	<b>1,535</b>	<b>0</b>	<b>277</b>	<b>-1,195</b>	<b>5,980</b>	<b>24,053</b>
<b>Equity and liabilities total</b>	<b>39,046</b>	<b>5,310</b>	<b>507</b>	<b>2,529</b>	<b>2,049</b>	<b>-275</b>	<b>10,120</b>	<b>49,167</b>

PRELIMINARY CONSOLIDATED IFRS COMPREHENSIVE INCOME STATEMENT – RECONCILIATION

	FAS	1	2	3	4	5	IFRS	IFRS
1 000 eur	31-12-2020	Lease agreements	Pension obligations	Reversal of goodwill amortization	Deferred taxes	Other adjustments	IFRS adj. total	31-12-2020
<b>Revenue</b>	72,834	0	0	0	0	0	0	72,834
Other operating income	361	0	0	0	0	0	0	361
Materials and services	-7,992	0	0	0	0	0	0	-7,992
Staff costs	-43,160	0	4	0	0	413	417	-42,743
Other operating expenses	-14,440	2,763	0	0	0	235	2,997	-11,442
<b>EBITDA</b>	<b>7,603</b>	<b>2,763</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>647</b>	<b>3,414</b>	<b>11,017</b>
Depreciation and amortization	-3,460	-2,579	0	2,529	0	0	-50	-3,510
<b>Operating profit (EBIT)</b>	<b>4,143</b>	<b>184</b>	<b>4</b>	<b>2,529</b>	<b>0</b>	<b>647</b>	<b>3,365</b>	<b>7,507</b>
Financial income	474	0	0	0	0	0	0	474
Financial expenses	-783	-237	-133	0	0	0	-370	-1,153
<b>Profit before taxes</b>	<b>3,834</b>	<b>-53</b>	<b>-129</b>	<b>2,529</b>	<b>0</b>	<b>647</b>	<b>2,995</b>	<b>6,829</b>
Income taxes	-1,700	0	0	0	0	-5	-5	-1,705
Change in deferred taxes	-625	0	91	0	527	0	618	-7
<b>Profit for the financial year</b>	<b>1,509</b>	<b>-53</b>	<b>-38</b>	<b>2,529</b>	<b>527</b>	<b>643</b>	<b>3,608</b>	<b>5,117</b>
<b>Other comprehensive income, that may be reclassified to profit or loss</b>								
Change in fair value reserve	0	0	0	0	0	-24	-24	-24
Taxes	0	0	0	0	0	5	5	5
<b>Other comprehensive income, that will not be reclassified to profit or loss</b>								
Change in actuarial assumptions	0	0	-175	0	0	0	-175	-175
Taxes	0	0	46	0	0	0	46	46
<b>Other comprehensive income for the year</b>	<b>0</b>	<b>0</b>	<b>-129</b>	<b>0</b>	<b>0</b>	<b>-19</b>	<b>-148</b>	<b>-148</b>
<b>Total comprehensive income for the year</b>	<b>1,509</b>	<b>-53</b>	<b>-166</b>	<b>2,529</b>	<b>527</b>	<b>623</b>	<b>3,460</b>	<b>4,969</b>



## ***Notes to reconciliations***

The Group is in the process of preparing preliminary IFRS financial information for the year ended 31 December 2020 consisting of the consolidated comprehensive income statement, consolidated balance sheet and the key figures during the ongoing IFRS project. Previously, the Group's consolidated financial statements were prepared in accordance with FAS. The preliminary IFRS adjustments identified in the transition are described below. The most significant impacts relate to the following: leases, pension obligations, goodwill and deferred taxes.

The numbers in topics (1-5) refer to the columns in the reconciliation tables.

### ***(1) Lease agreements as a lessee (IFRS 16 Leases)***

The Issuer has mainly leased offices, cars, and IT machinery. Under FAS, lease expenses have been recognized as other operating expenses in the income statement. The lease commitments have been disclosed in the notes to the financial statements as off-balance sheet items.

The right-of-use asset and the lease liability are calculated by discounting the future lease payments. The lease liabilities are measured at the present value of the remaining lease payments as of 1 January 2020 and right-of-use assets are recognised at an amount equal to the lease liability on 1 January 2020. The lease payments are discounted using the lessee's incremental borrowing rate. The lease expenses presented in FAS are replaced with the depreciation of the right-of-use assets. In addition, the interest costs of the lease liabilities are recognised as finance costs in profit or loss.

The Issuer applies the recognition exemption for both short-term leases (a lease that, at the commencement date, has a lease term of 12 months or less) and for leases for which the underlying asset is of low value (each asset with a value of approximately EUR 5,000 or less when new). The Issuer has decided to apply this practical expedient to some of the leases.

The impact recognised as a result of the adoption of IFRS 16 on the Issuer's opening balance sheet amounts to EUR 6,686 thousand, under the right-of-use assets and lease liabilities (non-current and current portions) as at 1 January 2020 and the amount recognised in the balance sheet as at 31 December 2020 equals EUR 5,310 thousand in right-of-use assets and EUR 5,363 thousand in lease liabilities.

### ***(2) Pension obligations (IAS 19 Employee Benefits)***

Under FAS costs for employee benefits provided are generally recorded when they are paid. Under IFRS, pensions are categorised as either defined contribution plans or defined benefit plans, depending on the principal terms and conditions. The Issuer has both defined contribution plans and defined benefit plans.

The liability or asset recognised in the balance sheet in respect of a defined benefit pension plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of any plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. These costs are included in employee benefit expense and financial expense in

profit or loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

The preliminary impact is shown in the column *Pension obligations* in the reconciliations presented above. The amount recognised in the opening balance sheet as of 1 January 2020 amounts to EUR 1,232 thousand relating to provisions, net effect in equity equals EUR -862 thousand and deferred tax receivables equals EUR 370 thousand.

The amount recognised in the balance sheet as of 31 December 2020 totals EUR 1,535 thousand relating to provisions, net effect in equity equals EUR -1,028 thousand and deferred tax receivables amount to EUR 507 thousand.

The amount recognised in other comprehensive income as a result of change in actuarial assumptions amounts to EUR -129 thousand for the year ended 31 December 2020.

### ***(3) Reversal of goodwill amortization (IFRS 3 Business Combinations, IFRS 1 First-time Adoption of International Financial Reporting Standards)***

Under FAS all intangible assets are amortised. Under IFRS goodwill is not amortised but is subject to impairment testing at least annually and whenever triggering events arise.

Following the transition exemption of IFRS 1, the businesses acquired prior to the IFRS transition date 1 January 2020 are recognised in Issuer's IFRS financial statements by using the carrying amount of goodwill as of 1 January 2020 as recognised in the FAS financial statements. Issuer will reverse the FAS amortisation in the conversion period by adjusting the goodwill amortisations recorded against the goodwill recognised in the balance sheet. In accordance with IFRS, goodwill shall no longer be amortized over its useful life, but it is tested for impairment annually or whenever there are indications of impairment.

The preliminary impact recognised is presented in the column *Reversal of goodwill amortisation* in the reconciliations presented above. The preliminary amount of IFRS adjustment relating to reversal of goodwill amortisation recognised amounts to EUR 2,529 thousand as of 31 December 2020.

### ***(4) Deferred taxes (IAS 12 Income Taxes)***

Under FAS the Issuer has not recognised deferred taxes on temporary differences between the FAS carrying amounts and the tax base, nor on tax losses carried forward. In the opening IFRS balance sheet as of 1 January 2020, the Issuer shall recognise deferred taxes on temporary differences between the tax bases of assets and liabilities and their IFRS carrying amounts.

The preliminary deferred tax impact is shown in the column *Deferred taxes* in the reconciliations presented above.

#### ***Tax impact on tax loss carry-forwards and other IFRS adjustments***

The preliminary amount of the deferred tax assets recognised in the opening IFRS balance sheet equals EUR 1,544 thousand, deferred tax liabilities equal EUR 298 thousand and the net effect in equity equals EUR 1,246 thousand. The preliminary amount of the deferred tax assets recognised as of 31 December 2020 totaled EUR 2,049 thousand, deferred tax liabilities equal EUR 277 thousand and the net effect in equity equals EUR 1,773 thousand.

### ***(5) Other adjustments (IAS 37 Provisions, Contingent Liabilities and Contingent Assets, IFRS 9 Financial Instruments, IFRS 1 First-time Adoption of International Financial Reporting Standards)***

In connection with the IFRS Project, the Issuer is in the process of assessing IFRS impacts on certain accounting principles of the Group covering provisions, hedge accounting and cumulative translation differences.

This assessment would lead to reversal of some restructuring provisions recorded according to FAS as some items do not meet the related recognition criteria under IAS 37, and consequently will be reclassified as accruals or as write-off of assets.

The Issuer is planning to apply hedge accounting to certain forward contracts after the transition date. Changes in fair value of the derivatives under hedge accounting are recorded under the hedging reserve in equity. Changes in

fair value of other derivatives are recorded in profit or loss. The preliminary impact of these adjustments is shown in the column *Other adjustments* in the reconciliations presented above.

The Issuer has presented the cumulative translation differences resulting from ownership of foreign subsidiaries under retained earnings. The cumulative translation difference as of 1 January 2020 is transferred from retained earnings to a separate line item (Translation reserve).

The preliminary amount of other adjustments recognised in the opening balance sheet as of 1 January 2020 relating to receivables equals EUR -176 thousand, provisions EUR -233 thousand, accruals and deferred income EUR 125 thousand and a net effect in equity of EUR -67 thousand.

The preliminary amount of adjustment relating to employee benefit expenses and other operating expenses recognised in profit or loss as of 31 December 2020 equals EUR 647 thousand.

The preliminary amount of adjustment recognised in the balance sheet as of 31 December 2020 relating to intangible and tangible assets amounts to EUR -134 thousand, receivables EUR -141 thousand, provisions EUR -1,798 thousand, accruals and deferred income EUR 604 thousand and a net effect in equity of EUR 920 thousand.

### **Preliminary IFRS accounting treatment of the acquisition of Citec Group Oy Ab in Feb 2021**

In order to carry out the recapitalization of the Group in February 2021, the Issuer acquired 100 per cent. of the shares in Citec Group Oy Ab (the “**Acquisition**”) and gained control over Citec Group. The majority shareholders of the Issuer were also the majority owners of Citec Group Oy Ab and therefore, there was no change in the ultimate control over Citec Group. However, after the completion of the Acquisition, the ownership of SBO III in Citec Group increased from 64.7 per cent. to 79.8 per cent.

The Issuer will prepare its first consolidated financial statements according to IFRS as per 31 December 2021. To provide preliminary information to investors about financial effect of the Acquisition on the Issuer’s consolidated balance sheet, the Issuer has prepared preliminary evaluation about accounting treatment of the Acquisition according to IFRS.

Based on the Issuer’s evaluation and current interpretation on IFRS 3 Business Combinations, the Acquisition is not within the scope of IFRS 3 as there were no changes in control, i.e. it was a common control transaction. As based on preliminary evaluation IFRS 3 shall not be applied, Citec Group’s consolidated income statement and balance sheet will be combined together with the Issuer’s income statement and balance sheet in the Issuer’s first consolidated financial statements and, the Acquisition shall be accounted using book value accounting. In applying book value accounting for the transaction, an adjustment arising from the difference between the consideration paid (total amount paid for the Citec Group Oy Ab’s shares and shareholder loans EUR 51 million) and the equity acquired (new share issue EUR 23 million) is recognized in equity. Issuer’s consolidated comprehensive income statement for period the financial year 2021 shall contain Citec Group consolidated from 1 January 2021 onwards.

The Issuer has presented quarterly consolidated financial reports according to Finnish Accounting Standards (FAS). According to FAS, the Acquisition has been accounted based on the acquisition method. According to the acquisition method, the difference between the consideration paid and the acquired equity has been recognized as goodwill and Citec companies have been included in the consolidated income statement from 1 February 2021 onwards and no comparative figures have been presented for the Issuer.

Citec Group’s preliminary IFRS consolidated comprehensive income statement and balance sheet 31 December 2020 as well as opening balance 1 January 2020 are presented above in this Prospectus.

Preliminary equity of Citec Group according to IFRS amounted to EUR 25 million as of 31 December 2020.

### **Key Financial Agreements**

#### ***Super Senior RCF***

In connection with the Offering, the Issuer, Citec Group Oy Ab and certain other group members have entered into a super senior credit facility agreement under which Nordea Bank Abp as lender agreed to provide an EUR 5,400,000 revolving credit facility to the Citec Oy Ab, Citec AB, Citec Engineering & Information GmbH, Citec Norway AS and such other Group companies as may accede to the revolving facility agreement as additional

borrowers (the “**Super Senior RCF**”). The maturity of the Super Senior RCF is on 2 February 2025. The purpose of the facility is to finance the working capital of the Group and other general corporate purposes, and the facility may be drawn in loans denominated in EUR or other available currencies in compliance with the conditions set out in the Super Senior RCF.

The Super Senior RCF contains certain financial covenants, some of which are tested periodically (maintenance covenants) and some of which are tested on specific events (incurrence covenants). The maintenance covenant is based on leverage, and calculated as the ratio of Net Interest-Bearing Debt and EBITDA, and is tested with reference to each testing period of twelve months ending on a quarter date. The Issuer shall deliver to the facility agent, with each set of financial statements delivered on a quarterly basis, a compliance certificate evidencing the calculation of the financial covenant. The covenant requires that the Group’s Net Interest Bearing Debt to EBITDA must not exceed 5.00x from the First Issue Date and this level is decreased by 0.25x for each year during the second and third year of the tenor of the Bonds. Further, the Group may not incur additional debt under the Bonds (other than certain Permitted Debt) unless it meets the Incurrence Test which is met if the Net Interest Bearing Debt to EBITDA does not exceed 3.00x from the First Issue Date and this level is decreased by 0.25x for each year during the third and fourth year of the tenor of the Bonds.

The Super Senior RCF contains customary representations and undertakings relating to, *inter alia*, the business activities of the Group. Further, customary mandatory prepayment clauses apply in case of illegality, sanctions breach, illegality in relation to the Bonds, change of control and redemption of the Notes so that less than 75 per cent. of the Initial Nominal Amount is outstanding.

The Super Senior RCF also contains customary events of default in addition to the maintenance covenant, relating to, *inter alia*, non-payment, breach of other obligations or other finance documents, misrepresentation, cross default, insolvency and insolvency proceedings and material adverse change. Certain of these events of default are subject to materiality thresholds.

#### ***Intercreditor Agreement***

In connection with the Offering and the Super Senior RCF, the Issuer has entered into an intercreditor agreement with, *inter alia*, Nordic Trustee & Agency AB (publ) as security agent and agent to the holders of the Notes, Nordea Bank Abp as super senior RCF creditor and hedge counterparty (the “**Intercreditor Agreement**”). The Intercreditor Agreement establishes the relative rights of the creditors under various financing arrangements and documents the guarantees by the Issuer, Citec Group Oy Ab, Citec Oy Ab, Citec AB, Citec Norway AS and Citec Engineering & Information GmbH. In accordance with the Intercreditor Agreement, Nordic Trustee & Agency AB (publ) undertakes to act as a security agent and perform custodial and administrative functions relating to the Transaction Security and Guarantees. For further information, please see “*Additional Information on the Guarantees, Transaction Security and Intercreditor Agreement*”.

#### ***Agency Agreement***

In connection with the Offering, the Issuer has entered into an agency agreement with Nordic Trustee & Agency AB (publ), under which Nordic Trustee & Agency AB (publ) shall undertake to act as an agent and representative of the holders of the Bonds and perform custodial and administrative functions relating to the Notes (the “**Agency Agreement**”).

#### ***Security Documents***

To secure the due and punctual fulfilment of the Secured Obligations (as defined in the Terms and Conditions of the Bonds), the Issuer and certain of its subsidiaries have entered into security agreements with Nordic Trustee & Agency AB (publ) as the security agent (all such agreements together the “**Security Documents**”). The purpose of the Security Documents is to create first ranking security in favor of the Secured Parties (as defined in the Terms and Conditions of the Bonds) over certain assets of the security providers. For further information, please see “*Additional Information on the Security and Intercreditor Agreement*”.

#### **No Material Adverse Change in the Prospects**

Since 31 December 2020, the last day of the financial period in respect of which the most recently audited financial statements of the Group have been prepared, there has been no material adverse change in the prospects of the Issuer or any of the Guarantors.

## No Significant Change in the Financial Performance or Financial Position

There has been no significant change in the financial performance or the financial position of the Issuer or any of the Guarantors since 31 December 2020, which is the end of the last financial period for which an audited financial report has been published except the issuance of the Bonds, the entering into the Super Senior RCF and the transaction described in chapter “*Preliminary IFRS accounting treatment of the acquisition of Citec Group Oy Ab in Feb 2021*”.

## Share Capital and Ownership Structure

As at the date of this Prospectus, the Issuer has issued a total of 2,323,401,839 shares that are divided to five (5) share classes. As at the date of this Prospectus, the Issuer has 2,323,000,001 Series A shares, 100,320 Series B shares, 100,252 Series C shares, 100,129 Series D shares and 101,137 Series E shares. According to the Issuer's Articles of Association, each Series A share carries ten (10) votes and each Series B, C, D and E share carries one (1) vote in the Issuer's General Meeting. In addition, Series A, B, C, D and E shares carry different rights for distribution of funds as described in Section 7 of the Articles of Association of the Issuer. The Issuer has a registered share capital of EUR 80,000.00 which is fully paid.

### *Directed Share issue in February 2021*

On 10 February 2021, the sole shareholder of the Issuer, Sentica Buyout III Ky, decided to issue a total of 2,295,400,000 new shares in the Issuer in a directed share issue. The directed share issue included issuance of 2,295,000,000 new Series A shares and 100,000 new shares of each Series B, C, D and E shares. In addition to the subscription price paid in cash, part of the shares were issued against payment in kind in connection with the Acquisition. The shares were subscribed for on 10 February 2021 and the total subscription price of EUR 22,954,000 was recorded into the Issuer's invested non-restricted equity fund.

### *Directed Share issue in June 2021*

Based on shareholder resolution made on 15 June 2021, the shareholders of the Issuer resolved to carry out a directed share issue of 28,001,838 new shares to the key employees of the Issuer. The directed share issue included issuance of 28,000,000 new Series A shares, 320 new Series B shares, 252 new Series C shares, 129 new Series D shares and 1,139 new Series E shares. The total subscription price of EUR 280,018,38 was recorded into the Issuer's invested non-restricted equity fund.

The main shareholders of the Company are Sentica Buyout III Ky and Sentica Buyout III Co-Investment Ky. The Company has a total of 24 shareholders, which are listed below with their respective ownership participation percentage as at 31 October 2021:

### *Shareholders of Sentec Oyj:*

Sentica Buyout III Ky	75.90 %
Winwest Oy	17.13 %
Sentica Buyout III Co-Investment Ky	2.96 %
Johan Westermarck	0.86 %
Laura Kauppinen	0.43 %
Nasir Mulani	0.43 %
Jukka Kallioniemi	0.30 %
Sakari Koivuniemi	0.28 %
Mari Kytöharju	0.22 %
Jaakko Rintala	0.13 %
Henning Baier	0.13 %
Noureddine Ghali	0.13 %
Fredrik Nilsson	0.13 %
E. Berg Holding AS	0.13 %
Katarina Westerén-Hagnäs	0.13 %
Nichlas Råttis	0.11 %
Markus Rintala	0.09 %

Sanjay Kale	0.09 %
Chaitanya Sajane	0.09 %
Prasad Gaikwad	0.09 %
Terhi Päivike	0.09 %
Michael Smirnoff	0.09 %
Tuuli Kangasaho	0.04 %
Rizwan Shaikh	0.04 %
Total	100.00 %

## BOARD OF DIRECTORS, MANAGEMENT AND AUDITORS

### General

Pursuant to the provisions of the Finnish Companies Act and the Issuer's Articles of Association, responsibility for the control and management of the Issuer is divided between the governing bodies of the Issuer, including the General Meeting of Shareholders, the Board of Directors, the Chief Executive Officer (CEO) and the Group Management Team ("GMT"). Shareholders of the Issuer participate in the control and management of the Issuer through resolutions passed at General Meetings of Shareholders. General Meetings of Shareholders are generally convened upon notice given by the Board of Directors. In addition, General Meetings of Shareholders are held when requested in writing by an auditor of the Issuer or by shareholders representing at least one-tenth of all the outstanding shares in the Issuer.

In its corporate governance, decision making and administration, the Issuer complies with the Finnish Companies Act, the Finnish Securities Markets Act (746/2012, as amended) and other laws and regulations applicable to listed bonds as well as the Issuer's Articles of Association.

The business address of the members of the Board of Directors, the Chief Executive Officer and the other members of the Management Group is Silmukkatie 2, FI-65101 Vaasa, Finland.

### Board of Directors

The Board of Directors supervises the Issuer's operations and management, deciding on significant matters concerning the company strategy, investments, organisation and finance.

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

#### Name:

#### Memberships in other Boards of Directors:

**Johan Wentzel**  
MSc (Finance)  
**Chairman 2021–**

*Citec Group Oy Ab (Chairman)*  
*Citec Oy Ab (Chairman)*  
*Teresa Holdco (Chairman)*  
*Teresa Bidco Oy (Chairman)*  
*Picnic Finland Oy (Chairman)*  
*La Torrefazione Oy (Chairman)*  
*Europicinic Oy (Chairman)*  
*Secto Topco Oy (Chairman)*  
*Secto Automotive Group Oy (Chairman)*  
*Secto Automotive Oy (Chairman)*  
*Sentica Partners Oy*  
*Sentica Kasvurahasto II GP Oy*  
*Sentica Buyout III Gp Oy*  
*Sentica Buyout IV Gp Oy*  
*Sentica Buyout V GP Oy*  
*Snowball Growth Partners Oy (Chairman)*  
*Ammania Oy*  
*Starshield Capital Oy*  
*Siivous 55cc Oy*

**Antti Keränen**  
MSc (Finance)  
**Member 2021–**

#### Membership in other Boards of Directors:

*Citec Group Oy Ab*  
*Citec Oy Ab*  
*Coptersafety Group Oy*  
*Coptersafety Oy*  
*Ursviken Group Oy*  
*Pivatic Oy*  
*Pivatic Varikko Oy*  
*Growth Fund 2012 Oy*  
*AJK Capital Oy (member of the Board and the CEO)*

*Infoneon Oy*

**Rune Westergård**

B.Sc. (Mechanical Engineering)

**Member 2021–**

**Membership in other Boards of Directors:**

*Citec Group Oy Ab*

*Citec Oy Ab*

*Winwest Oy (Chairman)*

*WT Holding Oy (member of the Board and Managing Director)*

**Clas-Eirik Strand**

B.Sc. (Mechanical Engineering),

MBA

**Member 2021–**

**Membership in other Boards of Directors:**

*Koncentra Verkstads AB*

*AIAB Energy Ab*

*JTK Power Oy,*

*Koncentra Pistons Oy*

*ENTRO AS/ENTRO Group*

The members of the Board of Directors of the Issuer also comprise the Board of Directors of Citec Group Oy Ab and Citec Oy Ab.

**Chief Executive Officer and Management Group**

The Issuer's Board of Directors appoints the Chief Executive Officer. The Chief Executive Officer is responsible for the Company's financial performance, for organizing the business operations as well as administration in accordance with applicable legislations and instructions and orders given by the Company's Board of Directors. The Chief Executive Officer provides information to the Board of Directors in respect of, among others, the Company's financial situation and circumstances and changes in its business environment. At the date of this Prospectus, the CEO of the Company is Johan Westermarck.

In the operative management of the Group, the CEO is assisted by other members of the GMT. At the date of this Prospectus, the GMT consists of the following persons:

**Name:**

**Background:**

**Johan Westermarck**

MSc. (Eng.), Lic.Sc (Econ.)

**Chief Executive Officer 2021–**

**Member of the Group**

**Management Team 2017–**

*Sentiec Oyj, CEO 2021–*

*Citec Group Oy Ab, CEO 2017 –*

*Citec AB, CEO 2018 –*

*Citec Norway AS, Chairman of the Board 2018 –*

*Citec India pvt. Ltd., Member of the Board 2018 –*

*Akilea Engineering, Administrateur 2018 –*

**Laura Kauppinen**

PhD (Psych)

**Member of the Group**

**Management Team 2019–**

*Sentiec Oyj, CDO 2021–*

*Citec Group Oy Ab, CDO 2019 –*

**Jukka Kallioniemi**

MSc (Energy Engineering)

**Member of the Group**

**Management Team 2020–**

*Sentiec Oyj, VP, European Accounts 2021–*

*Citec Group Oy Ab, VP, European Accounts 2020 –*

**Mari Kytöharju**

MSc (Econ.)

**Member of the Group**

**Management Team 2021–**

*Sentiec Oyj, Chief Financial Officer 2021–*

*Citec Group Oy Ab, Chief Financial Officer 2021–*



**Sakari Koivuniemi**  
MSc (Mechanical Engineering)  
**Member of the Group**  
**Management Team 2018–**

*Citec Oy Ab*, Managing Director 2018 –  
*Citec Group Oy Ab*, VP, Business Development 2020 –  
*Citec Engineering France*, Gerant 2018 –  
*Akilea Engineering*, President 2018 –  
*SKOL*, member of the Board of Directors 2019 –

**Nichlas Rått**  
B.Sc. (Mechanical Engineering)  
**Member of the Group**  
**Management Team 2018–**

*Citec Group Oy Ab*, VP, Global Account 2018 –

**Nasir Mulani**  
B.Sc. (Mechanical Engineering),  
MBA (Marketing Management)  
**Member of the Group**  
**Management Team 2018–**

*Citec India pvt. Ltd.*, Managing Director 2011–  
*Citec Group Oy Ab*, VP, Asia & Americas Accounts 2020 –

**Jaakko Rintala**  
MSc (Computer Science)  
**Member of the Group**  
**Management Team 2020–**

*Citec Group Oy Ab*, VP, Technical Documentation & Digital  
Solutions Delivery Centre 2020 –

**Jani Hautala**  
MSc (Finance)

*Citec AB*, Deputy Member of the Board of Directors 2019 –

**Tuuli Kangasaho**  
Master of Laws, LL.M. in  
Maritime Law

*Citec Group Oy Ab*, Group General Counsel 2020 –  
*Citec AB*, Member of the Board of Directors 2021–  
*Citec Norway AS*, Member of the Board of Directors 2021–

**Fredrik Nilsson**  
B.Sc. (Environmental and Energy  
Engineering)

*Citec AB*, Managing Director 2020 –

**Espen Berg**  
Sivilingeniør (Mechanical  
Engineering)

*Citec Norway AS*, Managing Director 2018 –  
*Citec Norway AS*, Member of the Board of Directors 2018 –

### **Absence of Conflicts of Interest**

Three out of four Members of the Board of Directors are not considered to be independent of the Group and its major shareholders. Rune Westergård holds a minority stake in the Issuer and Johan Wentzel and Antti Keränen represent the main shareholder SBO III. Clas-Eirik Strand is independent of the Group and its major shareholders.

Further, several members of the GMT hold a minority stakes in the Issuer (see “*Financial and Other Information – Share Capital and Ownership Structure*”) above.

### **Auditors**

The consolidated financial statement of Citec Group for the financial year ended 31 December 2020 incorporated into this Prospectus by reference have been audited by KPMG Oy Ab with Lotta Nurminen, Authorised Public Accountant, as the auditor with principal responsibility. The consolidated financial statement of Citec Group for the financial years ended 31 December 2019 incorporated into this Prospectus by reference have been audited by Ernst & Young Oy with Mikko Järventausta, Authorised Public Accountant, as the auditor with principal responsibility.

The Annual General Meeting of Shareholders of the Issuer held on 28 April 2021 elected KPMG Oy Ab as the Company's auditor. Lotta Nurminen Authorised Public Accountant, is the Issuer's auditor with principal responsibility. The registered address of KPMG Oy Ab is Töölönlahdenkatu 3 A, FI-00100 Helsinki, Finland.

## ARRANGEMENTS WITH THE BOOKRUNNER

Pareto Securities AB acted as a Bookrunner of the Offering. The Company has entered into agreements with the Bookrunner with respect to certain services provided by the Bookrunner in connection with the Offering.

## LEGAL MATTERS

Certain legal matters in connection with the Offering have been passed upon for the Issuer by Roschier Advokatbyrå AB.

## INFORMATION INCORPORATED BY REFERENCE

The Issuer's financial statements for the financial period ended 31 December 2020, Citec Group Oy Ab's consolidated financial statements for the financial years ended 31 December 2020 and 31 December 2019 are incorporated into and form part of the Prospectus by reference. The non-incorporated information in the documents incorporated by reference is not relevant for investors or can be found elsewhere in the Prospectus. The referenced documents are available for inspection on the Group's website at, <https://www.citec.com/about-us/investors/>.

Document	Information by reference
<a href="#">Financial report, Q2/2021 (FAS), Citec Group</a>	Unaudited interim financial information of Citec Group as at and for the three months ended 30 June 2021, including the comparative information for the three months ended 30 June 2020.
<a href="#">Financial Statements (FAS), Sentieo Oy, 2020</a>	Audited financial statements and the auditor's report of the Issuer for the financial year ended 31 December 2020.
<a href="#">Financial Statements (FAS), Citec Group Oy Ab, 2020</a>	Audited consolidated financial statements and the auditor's report of Citec Group Oy Ab for the financial year ended 31 December 2020.
<a href="#">Financial Statements (FAS), Citec Group Oy Ab, 2019</a>	Audited consolidated financial statements and the auditor's report of Citec Group Oy Ab for the financial year ended 31 December 2019.

## Documents on display and available information

In addition to the documents incorporated by reference, the Company's Finnish language articles of association and extract from the Finnish Trade Register and the Terms and Conditions of the Bonds may be inspected at the Company's website at, <https://www.citec.com/about-us/investors/>. Other Finance Documents may be inspected at the office of the Agent, at Norrlandsgatan 23, SE-111 43, Stockholm.

The Company publishes annual reports, including audited consolidated financial statements, quarterly interim financial statements for each year and other information as required by the Finnish Securities Markets Act and the rules of the Nasdaq Stockholm. As at the date of this Prospectus, all annual reports, interim reports and stock exchange releases are published in English. Such information will be available on the Company's website at <https://www.citec.com/about-us/investors/>.

**ISSUER**

**Sentiec Oyj**  
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Finland

**BOOKRUNNER**

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**LEGAL COUNSEL**

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