

TERMS AND CONDITIONS OF THE OFFERING

Decisions by the Annual General Meeting of Shareholders and the Board of Directors

On 7 April 2021, the Annual General Meeting of Stockmann plc (“**Stockmann**” or the “**Company**”) authorized the Board of Directors to decide on a directed share issue of a maximum of 100,000,000 new Stockmann shares to the creditors of the Convertible Restructuring Debt (as defined below) and the Convertible Hybrid Loan (as defined below) in accordance with the Company’s Restructuring Programme approved on 9 February 2021 (the “**Restructuring Programme**”).

On 18 May 2021, the Company’s Board of Directors decided on the basis of the authorization granted by the Annual General Meeting to issue a maximum of 100,000,000 new shares in the Company (the “**Conversion Shares**”) in deviation from the shareholders’ pre-emptive subscription rights (the “**Offering**”).

Once the Restructuring Programme became valid following its confirmation by the District Court, the payment of the creditors’ receivables is determined on the basis of the Restructuring Programme. The Conversion Shares will be offered to the creditors of the Unsecured Restructuring Debt (as defined below) and the Hybrid Loan (as defined below) mentioned in the Restructuring Programme and/or conditional, maximum or disputed debts with their final amounts confirmed by 24 May 2021 in accordance with the Restructuring Programme against the partial conversion of the restructuring debts into the Company’s shares as described in more detail below. The approved Restructuring Programme has been restated by the decision of the Helsinki District Court on 17 May 2021 and the Restructuring Programme may be further restated by a decision of a court in order to correct, among others, typos and calculation errors or other similar errors that the Restructuring Programme might contain, or to confirm the transfer of a receivable by a creditor. Any references to the Restructuring Programme in these terms and conditions of the Offering and in the Finnish Prospectus (as defined below) shall be construed as references to the Restructuring Programme as it has been approved by the court from time to time.

The purpose of the Offering is to implement the Restructuring Programme. The objective of the Restructuring Programme is to rejuvenate the Company’s business operations, maintain its competitiveness in the relevant industry, enable the Company to be refinanced at a later date and reorganise the Company’s debts only to an extent that is necessary in order to achieve the goal of rehabilitating the Company. The Restructuring Programme also enables the investments planned for 2021–2028 that are necessary for the development of the Company. If the Restructuring Programme is not complied with, a court may order the Restructuring Programme to lapse. In the event that the Restructuring Programme is ordered to lapse, it will no longer be in force and the creditors will have the same right to a payment of the restructuring debt that they would have had if the Restructuring Programme had never been certified.

As such, the Company’s Board of Directors considers that the Company has a weighty financial reason to deviate from the shareholders’ pre-emptive subscription right pursuant to the Chapter 9, Section 4(1) of the Finnish Limited Liability Companies Act (624/2006, as amended).

Overview of the Offering

In the Offering, the eligible creditors are offered the right to convert a maximum of approximately EUR 76.1 million of the Convertible Debts (as defined below) into the Company’s shares (the “**Conversion**”).

As at 18 May 2021, the Convertible Restructuring Debt (as defined below) amounted to approximately EUR 22.0 million.

As at 18 May 2021, the Convertible Hybrid Loan (as defined below) amounted to approximately EUR 54.1 million.

Evli Bank Plc will act as the lead arranger of the Offering (the “**Lead Arranger**”).

Dilution of Ownership Share

As a result of the issue of the Conversion Shares offered in the Offering, the number of the Company’s shares will increase from 75,101,769 shares to a maximum of 175,101,769 shares if the Conversion Shares are subscribed for in full. In this case, the total proportional ownership of existing shareholders would be diluted by approximately 57.1 per cent.

Subscription Right

The right to subscribe for the Conversion Shares is granted to the Restructuring Debt Converters and the Hybrid Loan Converters defined below in these terms and conditions as well as the Converters of Unconditional or Undisputed Debt as of 24 May 2021, whose receivable (i) can be verified on the basis of the Restructuring Programme or has been verified by the Supervisor of the Restructuring Programme or (ii) to whom a receivable has been verifiably and validly transferred by a creditor under the Restructuring Programme through a verifiable transfer (the “**Parties Entitled to Conversion**”).

The Lead Arranger will provide the subscription form to the converters of the Restructuring Debt and the Converters of Unconditional or Undisputed Debt known to the Company by the commencement of the Subscription Period (as defined below). Converters of the Hybrid Loan will receive the subscription form from their account operators.

Unsecured Restructuring Debts

In the Restructuring Programme, the Company’s unsecured debts are comprised of liabilities to public entities, commercial paper liabilities, accounts payable and other liabilities (including e.g. non-contested and actualised guarantee liabilities and non-contested lease liabilities), damages payable to landlords and subtenants, fee liabilities, the liabilities of the Estonian branch and group company liabilities. In addition, the part of debt owed to secured creditors that is not covered by the value of the relevant security constitutes unsecured restructuring debt. In addition to the principal, the unsecured restructuring debt comprises interest, costs and other expenses accumulated by 8 April 2020, which have all been taken into consideration when calculating the amount of unsecured debt (hereinafter, the “**Unsecured Restructuring Debt**”).

According to the Restructuring Programme, 20 per cent. of the Unsecured Restructuring Debt (with the exceptions set out below) will be cut while reserving the creditors the opportunity to convert this 20 per cent. share of the Unsecured Restructuring Debt into the Company’s B Shares (the B shares became the Company’s only share class by the decisions of the Company’s Annual General meeting on 7 April 2021 to combine the Company’s share classes) before any cuts are made (the “**Convertible Restructuring Debt**”), and the repayment schedule described in the Restructuring Programme will be applicable to the remaining 80 per cent. Alternatively, according to the provisions of the Restructuring Programme, the holders of Unsecured Restructuring Debt can exchange their receivable under the repayment schedule into new secured notes issued by the Company. The Convertible Restructuring Debt does not include group liabilities to which the provisions above do not apply according to the Restructuring Programme nor certain conditional, maximum, unclear and disputed unsecured debts as described in the Restructuring Programme, to which special terms and conditions described below will apply. A converter of the Convertible Restructuring Debt is referred to below as the “**Restructuring Debt Converter**”.

Hybrid Loan

On 17 December 2015, the Company issued a hybrid loan (ISIN:FI4000188776) with the initial principal of EUR 85 million, which was increased by a new issue in the value of EUR 21 million in November 2019. The hybrid loan is treated as the Company’s equity in the consolidated financial statements prepared in accordance with International Financial Reporting Standards. The annual coupon rate of the hybrid loan was 10.75 per cent. when the restructuring proceedings commenced, and the interest payable based on the hybrid loan liabilities amounted to a total of EUR 2,148,237.70 as of 8 April 2020 (hereinafter the “**Hybrid Loan**”).

According to the Restructuring Programme, 50 per cent. of the Hybrid Loan (including interest accrued until 8 April 2020) will be cut and the remaining 50 per cent. will be converted into the Company’s shares. If a creditor of the Hybrid Loan does not wish to have the uncut 50 per cent. of its receivable converted, this part will also be cut. The first 50 per cent. cut of the Hybrid Loan was executed by Euroclear Finland Oy on the record date of 25 March 2021, and it has been recorded on the book-entry accounts of the holders of the Hybrid Loan as of 26 March 2021.

Pursuant to the Restructuring Programme, the holders of the Hybrid Loan are entitled to convert their remaining 50 per cent. of the Hybrid Loan into the Company’s shares (the “**Convertible Hybrid Loan**”) and settle the subscription price by setting it off with a corresponding part of their receivable under the Hybrid Loan. A converter of the Convertible Hybrid Loan is referred to below as the “**Hybrid Loan Converter**”.

Conditional, Maximum or Disputed Debts

In addition to the Convertible Restructuring Debt and Convertible Hybrid Loan, the Company has certain conditional, maximum, unclear and disputed unsecured debts as described in the Restructuring Programme. These debts qualify as restructuring debts, but their final amount will be established only in the future. The provisions of the Restructuring Programme concerning the conversion into shares and cutting of the unsecured restructuring debt are also applied to 20 per cent. of such unsecured restructuring debt in the event and to the extent that their final amount has been established as unconditional or undisputed (the “**Convertible Unconditional or Undisputed Debts**”, and together with the Convertible Hybrid Loan and Convertible Restructuring Debt, the “**Convertible Debts**”). The holders of Convertible Unconditional or Undisputed Debts, whose receivable has become unconditional or undisputed by 24 May 2021, are entitled to participate in the Offering (the “**Converter of Unconditional or Undisputed Debt**”).

Shareholders Residing in Certain Jurisdictions

The offering of the Conversion Shares to individuals in jurisdictions outside Finland may be affected by the securities legislation in the relevant jurisdictions. Unless these terms and conditions provide otherwise and excluding certain exceptions, individuals whose registered address is in the United States, Canada, Australia, Hong Kong, China, South Africa, Singapore, Japan, New Zealand, Russia or any other country, where the issue of the Conversion Shares would not be permitted under the applicable local legislation (“**Restricted Jurisdictions**”), may not necessarily be able to subscribe for the Conversion Shares in the Offering. Individuals participating in the Offering should contact their independent advisors to find out any local restrictions on the subscription for the Conversion Shares and formalities required for participating in the Offering.

China

A participant in the Offering accepts that the Offering does not constitute an offer relating to the subscription or sale of the Conversion Shares in China. Each participant in the Offering confirms and approves that the Conversion Rights have not been offered or sold (directly or indirectly) to any legal or natural person located in China, unless this has been permitted under the laws and regulations applied in China. Pursuant to the laws and regulations applied in China, the Conversion Shares may (subject to the laws and regulations of such jurisdictions) only be offered or sold to non-Chinese natural or legal persons in any other country than China.

Hong Kong

The Offering does not constitute an offer relating to the subscription or sale of the Conversion Shares in Hong Kong, and no one is permitted to offer or sell the Conversion Shares pursuant to the terms and conditions of the Offering to other parties than “professional investors” as defined in Hong Kong’s Securities and Futures Ordinance (hereinafter the “**Ordinance**”) and any rules made under the Ordinance.

Each participant in the Offering agrees not to offer or sell Conversion Shares in Hong Kong (i) to other parties than “professional investors” (as defined in the Ordinance and any rules made under the Ordinance) or (ii) in other circumstances that do not result in the document constituting an “offering circular” or an offer to the public as defined in or within the meaning of Hong Kong’s Companies Ordinance. Participants in the Offering also agree not to publish or hold, for the purpose of issue, any advertisements, notices or documents, which are directed to the public or the content of which is likely to be accessed or read by the public of Hong Kong (unless this is permitted by Hong Kong’s securities legislation), except for those Conversion Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” (as defined in the Ordinance and any rules made under the Ordinance) located in Hong Kong.

United States

Neither the Offering nor the Conversion Shares has been registered under the U.S. Securities Act or any other securities laws and the Offering is only directed at, and the Conversion Shares are only being offered and will only be issued to, Parties Entitled to Conversion who can represent that they are either (i) “qualified institutional buyers” (“**QIBs**”) (as defined in Rule 144A (“**Rule 144A**”) under the U.S. Securities Act), (ii) “accredited investors” within the meaning of Rule 501 under the U.S. Securities Act or (iii) outside the United States and not U.S. persons (as defined in Regulation S under the U.S. Securities Act (“**Regulation S**”)) and are lawfully able to participate in the Offering in compliance with applicable laws of applicable jurisdictions (each such person, an “**Eligible Party**”). Only Eligible Parties are authorised to receive or review these terms and conditions or to participate in the Offering.

Russian Federation

These terms and conditions or information contained herein is not an offer, or an invitation to make offers, sell, purchase, exchange or transfer any securities in Russia to or for the benefit of any Russian person or entity, and does not constitute an advertisement or offering of any securities in Russia within the meaning of Russian securities laws. Information contained in these terms and conditions is not intended for any persons in the Russian Federation who are not “qualified investors” within the meaning of Article 51.2 of the Federal Law no. 39-FZ “On the Securities Market” dated 22 April 1996, as amended (“**Russian QIs**”) and must not be distributed or circulated into Russia or made available in Russia to any persons who are not Russian QIs, unless and to the extent they are otherwise permitted to access such information under Russian law. The Conversion Shares have not been and will not be registered in Russia and are not intended for “placement” or “circulation” in Russia (each as defined in Russian securities laws) unless and to the extent otherwise permitted under Russian law.

European Economic Area

These terms and conditions are not a prospectus for the purposes of the Regulation (EU) 2017/1129 (as amended or superseded, the “**Prospectus Regulation**”). These terms and conditions have been prepared on the basis that any offer of the Conversion Shares in any member state of the European Economic Area (“**EEA**”), other than Finland (each, a “**Relevant Member State**”), will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of the Conversion Shares, which shall include any offer:

- to any legal entity which is a “qualified investor” within the meaning of the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) per Relevant Member State; or
- in any other circumstance falling within Article 1(4) of the Prospectus Regulation.

The Conversion Shares are not intended to be offered or sold to and should not be offered or sold to any retail investor in the EEA. 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 2016/97/EU (as amended, 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; (iii) not a qualified investor as defined in the Prospectus Regulation. No key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Conversion Shares or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Conversion Shares or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

MiFID II product governance / Professional investors and ECPs only target market

Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Conversion Shares has led to the conclusion that: (i) the target market for the Conversion Shares is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Conversion Shares to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Conversion Shares (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 Conversion Shares (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

United Kingdom

The communication of these terms and conditions by the Company and any other documents or materials relating to the Conversion Shares is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000 (the “**FSMA**”). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials is exempt from the restriction on financial promotions under section 21 of the FSMA on the basis that it is only directed at and may be communicated to (1) those persons within the definition of Investment Professionals (contained in Article 19(5) or within Article 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005), and (2) to any other persons to whom these documents and/or materials may lawfully be communicated.

These terms and conditions are not a prospectus for the purposes of Regulation (EU) 2017/1129 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”) (as amended or superseded, the “**UK Prospectus Regulation**”). These terms and conditions have been prepared on the basis that any offer of the Conversion Shares in the United Kingdom will be made pursuant to an exemption under the UK Prospectus Regulation and FSMA from the requirement to publish a prospectus for offers of the Conversion Shares, which shall include any offer:

- to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation); or
- in any other circumstances falling within Section 86 of the FSMA.

The Conversion Shares are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of the following: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering, selling or distributing the United Kingdom or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering, selling or distributing the Conversion Shares or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation.

UK MiFIR product governance / Professional investors and ECPS only target market

Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Conversion Shares has led to the conclusion that: (i) the target market for the Conversion Shares is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; and (ii) all channels for distribution of the Conversion Shares to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Conversion Shares (a “distributor”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Conversion Shares (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

Subscription Price

Pursuant to the Restructuring Programme, the subscription price (conversion ratio) per share is EUR 0.9106 (the “**Subscription Price**”). The Subscription Price is based on the trade-weighted average price of the Company’s share between 8 April and 27 November 2020.

The Subscription Price will be recorded in the Company’s fund for unrestricted invested equity.

Placing Subscriptions

Subscriptions are binding and may not be amended or withdrawn except pursuant to section “– *Withdrawal of Subscriptions in Certain Circumstances*” of these terms and conditions.

In order to participate in the Offering, the subscriber of the Conversion Shares shall submit a subscription order according to the instructions below. Each Converter of the Restructuring Debt, the Converter of the Hybrid Loan and/or Converter of Unconditional or Undisputed Debt shall subscribe all Conversion Shares offered to them in the Offering, and partial subscriptions are not allowed.

Unsecured Restructuring Debts

In order to participate in the Offering, the Converters of the Restructuring Debt shall fill in the subscription form sent by the Lead Arranger by mail and return it to the Lead Arranger according to the instructions provided by them. In addition to the subscription form delivered by mail, the Lead Arranger will provide information via e-mail to such creditors whose contact details are known by the Company. In necessary, the form can be requested from the Lead Arranger by e-mail at the address stockmann@evli.com or by phone at + 358 (0)947669645.

Hybrid Loan

In order to participate in the Offering, the Converters of the Hybrid Loan shall fill in the subscription form sent by their account operator and return it to the account operator according to the instructions provided by them.

Unconditional or Undisputed Debt

In order to participate in the Offering, the Converters of the Convertible Unconditional or Undisputed Debts shall fill in the subscription form sent by the Lead Arranger and return it to the Lead Arranger according to the instructions provided by them. In necessary, the subscription form can be requested from the Lead Arranger by e-mail at the address stockmann@evli.com or by phone at + 358 (0)947669645.

Payment of the Subscription Price

The Subscription Price must be paid during the Subscription Period (as defined below) and in connection with the subscription by committing to set off Convertible Restructuring Debt, the Convertible Hybrid Loan or Convertible Unconditional or Undisputed Debt as follows. The setting off and the payment of the Subscription Price is deemed to have taken place when the Board of Directors approves the subscriptions. As a result of the set-off, the restructuring debt in question will extinguished.

If the number of the Conversion Shares corresponding to the amount of the Convertible Debt is not an integer, the number of shares to be transferred is rounded down to the nearest full Share, and the remaining part shall not be returned or reimbursed.

Unsecured Restructuring Debts

The Converter of the Restructuring Debt shall use Convertible Restructuring Debt for the set-off. With the subscription, the Converter of the Restructuring Debt pays the Subscription Price of the Conversion Shares by setting off 20 per cent. of its receivables from the Company under the Convertible Restructuring Debt.

To the extent that the secured fixed rate notes issued by the Company on 11 December 2017 in the total value of EUR 250 million and which become due and payable on 11 January 2022 (ISIN: FI4000292719), and receivables pursuant to the secured loan agreement concluded in 2017 with certain syndicate banks, are treated under the Restructuring Programme as Unsecured Restructuring Debts, the subscription right in the Offering belongs to, pursuant to the terms of the intercreditor agreement relating to the secured notes and the voting request delivered on 23 February 2021 as a part of a written procedure to, and subsequently approved by, the holders of the notes, Intertrust (Finland) Oy acting as the security agent. The secured fixed rate notes and other receivables of secured creditors are treated as Unsecured Restructuring Debt according to the Restructuring Programme to the extent that the value of the department store properties, which secure the Company's secured debts, has been estimated at the beginning of the Restructuring Proceedings not to cover all receivables of the secured creditors.

For the above-mentioned notes, the payment of the Subscription Price will be executed as follows: In connection with the share subscription, Intertrust (Finland) Oy shall set off the convertible restructuring debt claim as described above on behalf of the holders of the notes and approve that the nominal value of the notes shall be reduced by the Subscription Price on a euro-for-euro basis.

Hybrid Loan

The Converter of the Hybrid Loan shall use the Convertible Hybrid Loan for the set-off. With the subscription, the Converter of the Hybrid Loan pays the Subscription Price for the Conversion Shares by setting off its receivables from the Company under the Hybrid Loan.

The Company or a party assigned by it transfers the loan portions of the Hybrid Loan used for the payment of the subscription from the book-entry account of the Converter of the Hybrid Loan to the book-entry account designated by the Company after the subscription is received. In connection with the subscription, the Converter of the Hybrid Loan authorises the Company or the party assigned by it to transfer the loan portions from the holder of the loan to the book-entry account designated by the Company for the payment of the subscription price of the Conversion Shares.

Unconditional or Undisputed Debt

The Converter of the Convertible Unconditional or Undisputed Debt shall use the Convertible Unconditional or Undisputed Debt for the set-off. With the subscription, the Converter of the Convertible Unconditional or Undisputed Debt pays the Subscription Price for the Conversion Shares by setting off their receivables from the Company under the Convertible Unconditional or Undisputed Debt.

Subscription Period for the Conversion Shares and Place of Subscription

The subscription period for the Conversion Shares commences on 24 May 2021 at 10.00 a.m. Finnish time and ends on 18 June 2021 at 4.00 p.m. Finnish time (the “**Subscription Period**”) unless the Subscription Period is extended.

Subscriptions are received by the Lead Arranger of the Offering. In case of the Hybrid Loan, the account managers, asset managers or nominees of the Converters of the Hybrid Loan act as subscription places. Subscriptions received by the Lead Arranger after the Subscription Period has ended will be disregarded.

The Board of Directors may also decide to extend the Subscription Period. In case the Subscription Period is extended, the dates for the approval of the subscriptions submitted in the Offering, the registration of the Conversion Shares in the Finnish Trade Register and the commencement of trading with the Conversion Shares shall be amended correspondingly.

A stock exchange release on the possible extension of the Subscription Period shall be published at the latest on the estimated ending date of the Subscription Period above.

Approval or Rejection of the Subscriptions

The Company’s Board of Directors will decide on or about 5 July 2021 (unless the Subscription Period is extended) on the completion of the Offering, the final number of the Conversion Shares to be issued and the approval of the subscriptions submitted in the Offering in full or in part.

The Company’s Board of Directors is entitled to approve subscriptions at any time during the Subscription Period or after it. The Company’s Board of Directors is entitled to reject any subscription in full or in part if the subscription had not been made in accordance with these terms and conditions and the instructions provided to the subscriber, or the subscription is otherwise incomplete or incorrect. If the subscription is rejected or if the Offering is cancelled after the approval of the subscriptions, the set-off claim made by the subscriber is deemed to be rejected. If the subscription of a Converter of the Hybrid Loan is rejected, the Hybrid Loan notes transferred to the Company for the payment of the subscription are also returned to the Converter of the Hybrid Loan on the book-entry account designated by it within approximately five (5) banking days. If the Offering is cancelled, the possibly reduced nominal value of the secured fixed rate notes is restored in Euroclear Finland to the nominal value preceding the Offering.

The Company’s Board of Directors may also decide not to complete the Offering if the Board of Directors exceptionally deems, due to weighty reasons, that the completion of the Offering is not in the best interest of the Company.

Announcement on the Result of the Offering and Approval of the Subscriptions

The Company will publish the final result of the Offering and the total number of the Conversion Shares subscribed for by way of a stock exchange release on or about 5 July 2021.

The account operator, or other asset manager used by the holder of the Conversion Rights or the Lead Arranger will provide a confirmation notice of accepted subscriptions at the latest on or about 20 July 2021.

Registration of the Conversion Shares on Book-entry Accounts and Trading with Conversion Shares

The Conversion Shares subscribed for in the Offering are issued in the form of book-entries in the book-entry system maintained by Euroclear Finland Ltd. The subscription of the Conversion Shares requires the subscriber to have a Finnish book-entry account.

The requirement for the Finnish book-entry account above is also satisfied if the Conversion Shares will be held in a Finnish nominee registered book-entry account. The holders of the Hybrid Loan, whose holding is nominee registered, shall submit their subscription order in accordance with the instructions provided by their nominee responsible for the nominee-registration or, when the holding is registered to several nominees, by each of them. The subscription shall be made as instructed by the nominee. In connection with any such subscription, banks, asset managers and other nominees may be required to present evidence that the holders of the Hybrid Loan for whom they manage the book-entries are not located in the Restricted Jurisdictions. Other creditors of restructuring debt, who wish to hold the Conversion Shares in a nominee registered book entry account, shall submit their subscription order directly to the Lead Arranger in accordance with instructions provided by it. In all of the above situations, the account operators, asset managers, nominees and/or the Lead Arranger must receive the subscription order no later than 18 June 2021 or earlier in accordance with the instructions given by the account operators, asset managers, nominees and/or the Lead Arranger.

The Conversion Shares will be registered on the subscriber's book-entry account when they are registered in the Finnish Trade Register on or about 6 July 2021 (unless the Subscription Period is extended). The ISIN code of the Conversion Shares is FI0009000251 and their trading code in Nasdaq Helsinki Ltd (the "**Helsinki Stock Exchange**") is STOCKA. An application will be submitted for admitting the Conversion Shares on the main list of Helsinki Stock Exchange for trading. Trading in the Conversion Shares will commence on or about 7 July 2021 (unless the Subscription Period is extended), provided that the Helsinki Stock Exchange approves the Company's application for the listing.

Withdrawal of Subscriptions in Certain Circumstances

Where the Finnish language prospectus relating to the Offering (the "**Finnish Prospectus**") is supplemented pursuant to the Prospectus Regulation due to a significant new factor, material mistake or material inaccuracy, which may affect the assessment of the Conversion Shares (the "**Grounds for Supplement**"), the Parties Entitled to Conversion who have subscribed for Conversion Shares before the supplement is published shall have the right to withdraw their subscriptions during a withdrawal period. Such a withdrawal period shall last for at least three (3) banking days from the publication of the supplement. The withdrawal right is further conditional on that the Grounds for Supplement were noted prior to the end of the Subscription Period or the delivery to the book-entry account of the subscriber of the Conversion Shares which are subject to the withdrawal (whichever occurs earlier).

The Company shall announce withdrawal instructions by way of a stock exchange release. This stock exchange release shall also announce the right of the Parties Entitled to Conversion to withdraw the subscriptions, the period within which subscriptions may be withdrawn and more detailed instructions on withdrawal. Any withdrawal of a subscription made by a Party Entitled to Conversion shall relate to the entire subscription of the investor.

The Converter of the Hybrid Loan shall submit a notice of withdrawal to the account operator or asset manager with whom the subscription order was completed. The Converter of the Restructuring Debt or the Converter of Unconditional or Undisputed Debt shall submit a written notice of withdrawal to the Lead Arranger by e-mail to the following address stockmann@evli.com.

After the end of the withdrawal period, the right of withdrawal will lapse. Where the Converter of the Restructuring Debt withdraws their subscription, the set-off claim made in connection with the subscription will also be cancelled. Where the Converter of the Hybrid Loan withdraws its subscription, the Hybrid Loan notes transferred to the Company for the payment of the subscription will be returned to the investors who have withdrawn their subscriptions to the book-entry account designated by them within approximately five (5) banking days from the notice on withdrawal submitted to the Lead Arranger. Should the subscription for the Conversion Shares not be submitted within the Subscription Period or the subscription be withdrawn or rejected, however, without the lapse of the Restructuring Programme, the Unsecured Restructuring Debt shall be cut by 20 per cent. as well as the remaining 50 per cent. of the Hybrid Loan pursuant to the provisions of the Restructuring Programme and the description above.

Other Issues

Once the Company has approved the subscriptions, the Company shall inform the issuer agent of this without any undue delay. With the subscription forms, the Parties Entitled to Conversion shall entitle the issuer agent to execute the necessary entries in records and carry out other actions required for the conversion.

When a Party Entitled to Conversion has signed the subscription form in accordance with the terms and conditions of Conversion, they may not transfer their Restructuring Debt, Hybrid Loan or Convertible Unconditional or Undisputed Debt to a third party prior to the completion of the Offering.

When the Lead Arranger has been informed by the Company of the approval of the subscriptions for the Conversion Shares and the registration of the Conversion Shares at the Finnish Trade Register, the Conversion Shares will be registered on the book-entry accounts of the Parties Entitled to Conversion and an application to submit them to trading on the main list of Helsinki Stock Exchange will be filed.

The Lead Arranger is acting as issuer and paying agent in respect of the Offering, i.e., assisting the Company with certain administrative services concerning the Offering. The fact that the Lead Arranger is acting as issuer and paying agent does not, in itself, mean that the Lead Arranger regards the subscriber as a customer of the Lead Arranger. For the purposes of the Offering, the subscriber is regarded as a customer of the Lead Arranger only if the Lead Arranger has provided advice to the subscriber regarding the Offering or has otherwise contacted the subscriber individually regarding the Offering, or if the subscriber has an existing customer relationship with the Lead Arranger.

Subscribers in the Offering will provide personal data to the Lead Arranger. Personal data provided to the Lead Arranger will be processed in data systems to the extent required to provide services and administer matters by the Lead Arranger. Personal data obtained from a party other than the customer to whom the processing relates may also be processed. Personal data may also be processed in data systems at companies and organisations with which the Lead Arranger cooperates. Information regarding the processing of personal data is provided by the Lead Arranger's offices, which also accept requests for correction of personal data. Information regarding addresses may be obtained by the Lead Arranger through automatic data runs at Euroclear Finland.

By subscribing for the Conversion Shares in the Offering, the subscriber authorises their account operator to disclose necessary personal data, the number of their book-entry account and the details of the subscription to the parties involved in the processing of the subscription order or the execution of the assignment to allocate and settle the Conversion Shares.

Shareholder Rights

The Conversion Shares will confer a right to dividends and other shareholder rights from their registration with the Finnish Trade Register and their delivery to the shareholder's book-entry account, on or about 6 July 2021 (unless the Subscription Period is extended). The Conversion Shares will, as of their registration and delivery book-entry accounts, confer the same rights as the Company's other shares. For more information on the shareholder rights, see section "*Shares and Share Capital – Shareholders' Rights*" in the English language Offering Circular.

Fees and Expenses

No fees or other expenses will be charged to the Parties Entitled to Conversion for subscribing for Conversion Shares. Account operators and asset managers may charge fees in accordance with their fee schedules for the maintenance of book-entry accounts and for the custody and transfer of shares and the Hybrid Loan notes. No transfer tax is levied on the subscription of the Conversion Shares.

Applicable Law and Dispute Resolution

The Offering will be governed by Finnish law. Any disputes arising in connection with this Offering shall be settled by arbitration by one arbitrator according to the rules of the Arbitration Board of the Central Chamber of Commerce. If the parties fail to agree on the arbitrator, the arbitrator shall be appointed by the Central Chamber of Commerce. The seat of arbitration is Helsinki. If a Party Entitled to Conversion is a natural person in a consumer-like position, the Company shall bear the costs of the arbitration proceedings regardless of the outcome, except when the claims of the Party Entitled to Conversion are considered manifestly unfounded by the arbitration court.

The terms and conditions have been prepared in Finnish and English. Should there be any discrepancies between the terms and conditions in Finnish and English, the terms and conditions in Finnish shall prevail.