



EUR 10,000,000 SENIOR SECURED GREEN BONDS

Neo Industrial Plc (the “**Issuer**”), a public limited company incorporated and existing under the laws of Finland, having its registered address at Kankurinkatu 4-6 05800 Hyvinkää, Finland, and registered with the Finnish Trade Register under number 0693494-7 has issued 6.00% senior secured green bonds due 6 December 2024 for an aggregate principal amount of EUR 10000,000.00 (the “**Bonds**”) as of 6 December 2019 (the “**Issue Date**”).

The Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer. The Bonds will at all times rank *pari passu* among themselves and at least *pari passu* with the unsecured obligations of the Issuer, save for provisions which are preferred by mandatory provisions of law. The Bonds are unconditionally and irrevocably guaranteed by Reka Cables Ltd, a subsidiary of the Issuer (the “**Guarantor**” or “**Reka**”) under the terms and conditions set forth herein (the “**Guarantee**”). The Bonds are further secured by a business mortgage over the assets of Reka (the “**Pledgor**”) including inventory (the “**Pledge Agreement**”).

The Issuer is the parent company of a group of companies that operate in the business, research and development of activities relating to the cables industry, including, medium and high voltage cables, power cables, installation cables, fire resistant cables, control and instrumentation cables, optical telecommunication cables, industrial cables and fiber optic cable accessories.

This prospectus (the “**Prospectus**”) is for distribution to professional investors only. There is currently no public market for the Bonds. This Prospectus does not constitute an offer to any other person or to the public in general to subscribe for or otherwise acquire the Bonds.

This Prospectus constitutes a prospectus for the purposes of Part IV of the Luxembourg law on prospectuses for securities dated 16 July 2019.

Application has been made to list the Bonds on the official list of the Luxembourg Stock Exchange and to trading on the Euro MTF and the LGX, within 20 Business Days after the Issue Date. The Euro MTF Market is not a regulated market pursuant to the provisions of the Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.

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

The net proceeds of the Bonds will be used by the Issuer for general business purposes, including the financing of Eligible Expenditures (as set out in the Green Bond Framework, as defined below) related to the following categories of expenditures:

- (i) the enhancement of the environmental credentials of Reka’s portfolios of products; and
- (ii) the improvement of Reka’s environmental performance in respect to its production facilities and processes,

as further described in the Green Bond Framework dated October 2019 incorporated by reference in this Prospectus and available on the following website: <https://www.neoindustrial.fi/en/financial-information> (the “**Green Bond Framework**”). See also the section “Use of Proceeds” below.

IMPORTANT NOTICES

The Issuer accepts responsibility for the information contained in this Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

The Bonds will be issued on the terms set out herein under “Terms and Conditions of the Bonds” (the “**Terms and Conditions**”). This Prospectus must be read and construed together with any amendments or supplements hereto.

The Issuer confirms that as of the date of this Prospectus, the Prospectus contains all information which is (in the context of the issue, offering and sale of the Bonds) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the issue, offering and sale of the Bonds) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

No person has been authorized to give any information or to make any representation not contained in or not consistent with this Prospectus or any other document entered into in relation to the issue of the Bonds or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorized by the Issuer.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Bond shall, in any circumstance, create any implication that the information contained in this Prospectus is true subsequent to the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof or, if later, the date upon which this Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Prospectus and the offering, sale and delivery of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Bonds and on the distribution of this Prospectus and other offering material relating to the Bonds, see “Sales and Transfer Restrictions”. In particular, Bonds have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the “**Securities Act**”).

This Prospectus does not constitute an offer or an invitation to subscribe for or purchase any Bonds and should not be considered as a recommendation by the Issuer that any recipient of this Prospectus should subscribe for or purchase any Bonds. Each recipient of this Prospectus shall be taken to have made its own investigation and appraisal of the condition financial or otherwise of the Issuer.

The maximum aggregate principal amount of Bonds outstanding at any one time under this Prospectus will not exceed EUR 10,000,000.

The Luxembourg Stock Exchange assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Prospectus. Admission to trading on the Euro MTF Market and listing on the LGX-Green exchange is not to be taken as an indication of the merits of the Issuer or the Bonds.

REFERENCES

In this Prospectus, unless the context otherwise requires, references to “we,” “our,” “us,” “**Neo Industrial**” or the “**Group**” refer to Neo Industrial Plc and its direct and indirect subsidiaries. Unless the context otherwise requires, references to the “**Issuer**” refer to Neo Industrial Plc.

Unless otherwise defined, capitalized terms used in this Prospectus have the same meaning as defined in the Terms and Conditions.

Information posted on our website and those of our affiliates and subsidiaries do not constitute a part of this Prospectus.

In this Prospectus, unless otherwise specified, references to a “**Member State**” are references to a Member State of the European Economic Area, references to “**EUR**” or “**euro**” are to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended.

Certain figures included in this Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

This Prospectus has not been drafted in accordance with the provisions of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (the “**Prospectus Regulation**”) and has not been subject to approval by any home Member State’s competent authority pursuant to the Prospectus Regulation. Accordingly, any Bonds offered within the European Union will be subject to the relevant selling restrictions described under “Sales and Transfer Restrictions”.

This Prospectus may only be used for the purpose for which it has been published.

Neither this Prospectus nor any other circular, prospectus, form of application, advertisement, communication or other material may be distributed, or otherwise made available in, or from or published in, the Grand-Duchy of Luxembourg, except for the sole purpose of, as the case may be, the admission to trading of the Bonds on the Euro MTF Market and the listing on the LGX-Green exchange.

The purchase of the Bonds shall be based solely on this Prospectus, the terms and conditions set out in this Prospectus and any subscription form and those other documents, which may be stated in such subscription form.

Neither this Prospectus nor any supplement(s) thereto may be used for the purpose of an 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 an offer or solicitation.

Neither this Prospectus nor any supplement(s) thereto constitute an offer or an invitation to subscribe for or purchase any Bonds and should not be considered as a recommendation by the Issuer, the Group and any Agents that any recipient of this Prospectus should subscribe for or purchase any Bonds. Each recipient of this Prospectus shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer and the Group.

THE BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE “SECURITIES ACT”). THE BONDS WILL NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO U.S. PERSONS.

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GENERAL DESCRIPTION OF THE ISSUE

1. Relevant Documents

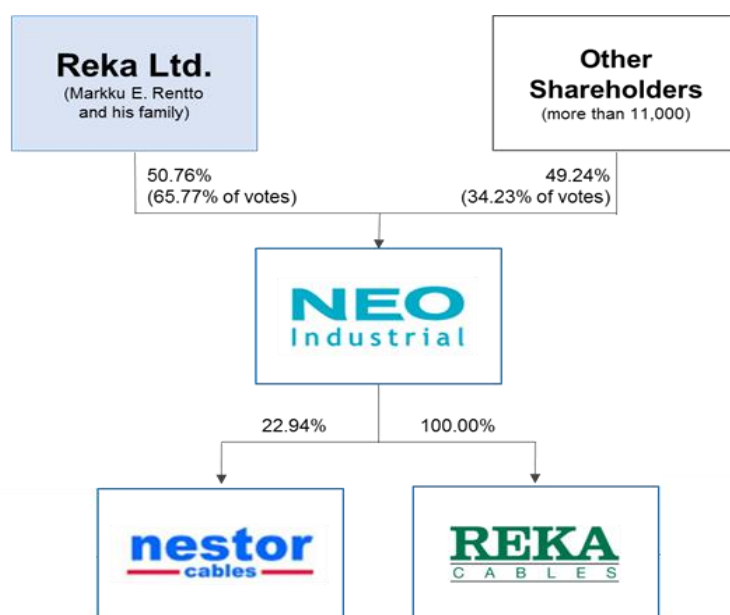
Unless the context otherwise requires, or as otherwise provided in this Prospectus, capitalized words and expressions shall have the respective meanings given to them under the heading “Definitions” in “Terms and Conditions”. This document contains the Terms and Conditions and should always be read together with the other sections of the Prospectus.

2. Terms and Conditions

The debt securities described herein (the “**Bonds**”) are subject to the terms and conditions set out in this Prospectus (the “**Terms and Conditions**”).

3. Group Structure

The chart below sets forth the simplified structure of the Group as of the date of this Prospectus.



4. Selling Restrictions

The distribution of this Prospectus, as well as the offer of the Bonds may be subject to restrictions in certain jurisdictions. Recipients of this Prospectus should take such restrictions into account. The Prospectus may not be used for the purpose of offering in such countries in which a public or other offering of the Bonds is not permitted.

5. Third Party Information

Where third party information have been included in this Prospectus, such information have been reproduced accurately and as far as the Issuer is aware and able to ascertain from information received from and published by such third party, no facts have been omitted which could render the reproduced information inaccurate or misleading. The source of such information is stated in the respective sections where third party information has been included in this Prospectus. As far as the Issuer refers to third party websites or third party information, it assumes no warranty for the completeness and accuracy for the content of such websites and/or information.

The Issuer (as defined hereinafter) assumes no warranty for the completeness and accuracy of the content of any documents and material made available to the Bondholders. The Issuer is not responsible for the calculations, projections, or numbers stated therein, and while the information is based on sources the Issuer consider to be reliable, the Issuer does not guarantee its accuracy and completeness. Any projections, market outlooks, or estimates in this Prospectus or any other documents and material made available to the Bondholders are forward looking statements and are based upon certain assumptions. Other events which were not taken into account may occur and may significantly affect the returns or performance of the Bonds. Any projections, outlooks, or assumptions are not to be construed to be indicative of and may, indeed, vary significantly from the actual events which will occur. The Issuer explicitly disclaims any obligation to update any documents and material made available to the Bondholders or that the Bondholders base their investment decision on in order to reflect subsequent developments or to correct inaccuracies or to complete incomplete information, and assumes no liability whatsoever in this respect.

6. Further Issues

The Issuer reserves the right to issue at any time further bonds under terms which are in any respect identical to those set forth herein and without consent of the Bondholders.

7. Acquisition of Bonds by the Issuer

The Issuer may at any time purchase Bonds in the open market or otherwise. The cancellation, holding, secondary purchase or otherwise use of Bonds, acquired by the Issuer, is in the sole discretion of the Issuer.

8. Risk warning

Potential investors should consider the risk factors described in section “*RISK FACTORS*” of this Prospectus and, prior to an investment in the Bonds, have completely read and understood the Prospectus and investigated, together with their legal or tax advisors, auditors and other advisors, whether an investment in the Bonds is suitable for them.

9. Publishing of Information

The Issuer intends, subject to any statutory disclosure requirements or provisions, not to publish any information after the issue except as stated in the Terms and Conditions and as requested by applicable Luxembourg law.

I. Details of the Bonds

The following description gives the details of the Bonds and has to be read in conjunction with the Prospectus and the Terms and Conditions.

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| Issuer: | <p>Neo Industrial Plc, a Finnish based company incorporated as a public liability company under the laws of Finland, having its registered address at Kankurinkatu 4-6 05800 Hyvinkää, Finland, and registered with the Finnish Trade Register under number 0693494-7.</p> <p>Neo Industrial Plc's share capital is divided into A and B shares. Neo Industrial Plc's B shares are listed on the NASDAQ OMX Helsinki, Small Cap / Finance (ISIN: FI0009800296).</p> |
| Guarantor: | The obligations of the Issuer under the Bonds will be guaranteed on a senior basis by Reka Cables Ltd (Finland) (" Reka "), subsidiary of the Issuer. |
| Securities offered: | Euro denominated senior secured green bonds (the " Bonds "). |
| Form: | Bearer bonds represented by a Global Bond. |
| Currency: | EUR |
| Issue Size: | EUR 10,000,000.00 |
| Coupon Rate: | 6.00% |
| Coupon type: | Fixed. |
| Issue Price: | 100% of the aggregate nominal amount of the Bonds (the " Nominal Amount ") |
| Trade Date: | 29 November 2019 |
| Issue Date: | 6 December 2019 |
| Maturity Date: | 6 December 2024 |
| Redemption: | Bullet |
| Interest Payment Date: | Interest will be payable annually on 6 December of each year, commencing on 6 December 2020. |
| Day count fraction: | Act/Act (ICMA) |
| Denomination of the Bonds | EUR 100,000.00 |
| Minimum Subscription Volume: | EUR 100,000.00 |
| Status of the Bonds, Guarantee and Pledge: | <p>The Bonds constitute direct, general, unconditional, unsubordinated secured obligations of the Issuer. The Bonds will at all times rank <i>pari passu</i> among themselves and at least <i>pari passu</i> with the unsecured obligations of the Issuer, save for provisions which are preferred by mandatory provisions of law.</p> <p>The Bonds are guaranteed on a senior basis by the Guarantor. The</p> |

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| | <p>Guarantee is subject to certain limitations under the laws of the Guarantor's jurisdiction of organization.</p> <p>The Guarantee will rank <i>pari passu</i> with all of the Guarantor' existing and future senior unsecured debt and senior to all of its existing and future subordinated debt, notwithstanding certain limitation under the laws of the Guarantor's jurisdiction.</p> <p>In addition to the Guarantee, Reka has granted a business mortgage over its assets including inventors pursuant to a Finnish law governed pledge agreement (the "Pledge").</p> <p>Enforceability of the Pledge: Market standard, i.e., upon an event of default which is continuing the Security Agent will enforce the Pledge on behalf of the secured parties. Subject to local law.</p> |
| Use of Net Proceeds and Green Bond Framework: | <p>Financing of eligible capital expenditures ("CAPEX") and research and development ("R&D") expenditures related to the following categories of expenditures:</p> <ul style="list-style-type: none"> (i) the enhancement of the environmental credentials of Reka's portfolios of products; and (ii) the improvement of Reka's environmental performance in respect to its production facilities and processes, <p>as further set out in the Green Bond Framework incorporated by reference in the Prospectus (the "Eligibility Criteria").</p> <p>Further commitments on project evaluation and selection, management of proceeds, reporting and external review are provided in the Green Bond Framework.</p> |
| Optional Redemptions: (Issuer call options): | <p>Optional Redemption at the Discretion of the Issuer</p> <p>The Issuer may redeem all, but not only some, of the outstanding Bonds in full on any Business Day before the Maturity Date at the applicable call option amount together with accrued but unpaid Interest as follows:</p> <ul style="list-style-type: none"> (a) the Make Whole Amount (as defined below) if the call option is exercised until 6 December 2021 (the "First Call Date"); (b) 102.5 per cent. of the Nominal Amount if the call option is exercised after the First Call Date up to 6 December 2022 (the "Second Call Date"); (c) 101.25 per cent. of the Nominal Amount if the call option is exercised after the Second Call Date up to (but excluding) the Maturity Date. <p>"Make Whole Amount" means an amount equal to the sum of:</p> <ul style="list-style-type: none"> (x) the present value on the relevant record date of 102.5, as if such payment originally should have taken place on the First Call Date; and (y) the present value on the relevant record date of the remaining interest payments (excluding accrued but unpaid interest up to the relevant Redemption Date) up to and including the First Call |

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| | <p>Date;</p> <p>both calculated by using a discount rate of fifty (50) basis points over the comparable German Government Bond Rate (<i>i.e.</i> comparable to the remaining duration of the Bonds until the First Call Date).</p> <p>Optional Redemption for Taxation Reasons</p> <p>If certain changes in the law (or in its interpretation) of any relevant taxing jurisdiction impose certain withholding taxes or other deductions on the payments on the Bonds, the Issuer may redeem the Bonds in whole, but not in part, at a redemption price of 100% of the outstanding Nominal Amount, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption.</p> |
| Change of Control: | <p>Upon the occurrence of certain events constituting a “change of control” the Issuer will be required to offer to repurchase all outstanding Bonds at a purchase price equal to 101% of the outstanding Nominal Amount, plus accrued and unpaid interest and additional amounts, if any, to the date of such repurchase.</p> |
| Additional Amounts (Tax Gross-up): | <p>All payments in respect of the Bonds or with respect to a Guarantee will be made without withholding or deduction for any taxes or other governmental charges, except to the extent required by law. If withholding or deduction is required by law, subject to certain exceptions, the Issuer or the relevant Guarantor, as applicable, will pay additional amounts so that the net amount you receive is no less than that which you would have received in the absence of such withholding or deduction.</p> |
| Financial Covenants: | <p>The Terms and Conditions contain, inter alia, the following financial covenants (excluding IAS 19 and IFRS 16) to be tested on a semi-annual basis:</p> <p>Maintenance Covenants</p> <ul style="list-style-type: none"> • Equity ratio of at least (tested semi-annually): <ul style="list-style-type: none"> ○ 15% for 2019 and 2020; and ○ 20% from 2021 and until redemption of the Bonds. • Net interest-bearing debt/EBITDA < 4 times (tested semi-annually). |
| Event of default: | <p>The Terms and Conditions provide for the following event of defaults that would trigger an early redemption of the Bonds by the Bondholders:</p> <ul style="list-style-type: none"> (i) non-payment under the Bonds; (ii) fundamental breach of other material provisions of the Terms and Conditions; (iii) cross-default and cross acceleration of material financial indebtedness of the Issuer and the Guarantor; (iv) insolvency and insolvency proceedings; (v) mergers and demergers; (vi) material seizure of group assets; (vii) impossibility or illegality; |

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| | (viii) loss of business license having a material impact on the activities of the group. |
| Selling Restrictions: | <p>The Bonds and the Guarantee have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any other jurisdiction and are subject to certain restrictions on transfer and resale.</p> <p>There are restrictions on the offer, sale, and delivery of the Bonds, inter alia, in the United States.</p> <p>No sale/distribution in the U.S., or to investors in Canada, Australia and Japan.</p> <p>Standard restrictions apply elsewhere, including in the EEA.</p> |
| Listing: | Application will be made to the Luxembourg Stock Exchange for the Bonds to be admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange and the listing on the LGX-Green exchange within 20 Business Days after the Issue Date. |
| Clearing: | Euroclear Bank S.A./N.V. / Clearstream Banking S.A. |
| Governing Law: | The Bonds and the Guarantee will be governed by Luxembourg law. |
| Paying Agent: | Banque Internationale à Luxembourg S.A. |
| Security Agent: | Greenmarck Restructuring Solutions GmbH |
| Lead manager: | STX Fixed Income (NL) |
| Security Codes: | <p>ISIN: XS2083219191</p> <p>Common Code: 208321919</p> |
| LEI: | <p>Neo Industrial Plc: 743700TSB08BO83SJR33</p> <p>Reka Cables Ltd: 743700J48KGVNK1BQD07</p> |
| Disclaimers: | <p><i>Important - your attention is drawn to the important notice and the disclaimers above, and any purchase of the Bonds will be deemed to be made in acceptance and acknowledgement by you of and subject to (i) the terms of such notice and disclaimers and (ii) the final Terms and Conditions in respect of the Bonds which all purchasers are deemed to have reviewed and found satisfactory, prior to closing.</i></p> <p><i>Please request a copy of the Terms and Conditions if you have not received them.</i></p> |

RISK FACTORS

*Before making an investment decision and deciding to purchase any of the Bonds, and in addition to the other information as set out in this Prospectus, prospective investors should carefully review and consider the following risk factors. Should one or more of the risks described below individually or together with other circumstances materialize, this may have a material adverse effect on the business, prospects, shareholders' equity, assets, financial position and results of operations or general affairs of the Issuer or the Group. Moreover, if any of these risks occur, the market price of the Bonds and the likelihood that the Issuer will be in a position to fulfil its payment obligations under the Bonds may decrease, in which case the holders of the Bonds ("**Bondholders**") could lose all or part of their investments. Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Bonds are also described below.*

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Bonds, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Bonds may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to the Issuer or which it may not currently be able to anticipate. Additional risks of which the Issuer is not presently aware could also affect the business operations of the Group and have a material adverse effect on the Group's business activities and financial condition and results of operations. Prospective investors should read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.

The below described risks and uncertainties are risks that the board of the directors and management have evaluated as essential risks of the Issuer. In addition to those there can be other factors and uncertainties that are not known or are estimated to be unessential, that can adversely have effect on the business of the Issuer, business result and financial position of the Issuer and to the value of the Issuer.

A. Risk Factors relating to the Issuer, the Group and its business

The Issuer is the parent company of the Group and the Guarantor is a direct subsidiary of the Issuer and part of the Group. Accordingly, the Issuer and the Guarantor are affected, substantially, by the same risks as those that affect the business and operations of the entire Group. Therefore, references in this section to the Group shall include references to the Issuer and the Guarantor (if applicable). In relation to the Issuer and the Guarantor, no additional risks occur.

1. The Issuer is the parent company of the Group and its ability to satisfy any debt obligations depends on its receipt of funds from its affiliated companies

The Issuer is the parent company of the Group. The main activities of the Issuer include, among other things, the refinancing of existing indebtedness, acquisitions and general working capital requirements to entities of the Group. Therefore, the Issuer's ability to satisfy any debt obligations depends on receipt of sufficient funds from its affiliated companies. The extent of such cash flows to the Issuer will depend on the business, financial condition and results of operations of its affiliated companies. In addition, payments and transfers of funds may be restricted by the terms of any indebtedness that may be incurred by the affiliated companies of the Issuer and by applicable law. Furthermore, Bondholders' ability to receive payments of interest and/or principal under the Bonds in case of the Issuer's insolvency will depend on the value of the Issuer's affiliated companies which will have to be disposed of in such default scenario.

2. Fees, expenses and reimbursement claims

Bondholders should note that, in relation to the Bonds, amounts payable to a receiver or a tax authority as well as fees, expenses and claims for reimbursement of the Agents will, in case of a shortfall, rank senior to payments of principal and interest on the Bonds.

3. Economic and general market volatility

Economic and other events (whether real or perceived) can reduce the demand for the loan, which may reduce market prices and cause the value of the loan to fall. The frequency and magnitude of such changes cannot be predicted. Such events may have a material adverse effect on the Issuer's business, net assets, financial condition, cash flow and results of operations and may impair the ability of the Issuer to fulfil its obligations under the Bonds.

4. Risks relating to the secondary market

Because of the absence of any trading market for the loans, it may take longer to liquidate these positions than would be the case for publicly traded securities. As a result, there is no assurance that the Issuer will be able to resell the loans or to receive the expected economic value thereof through resale. In addition, if the Issuer is seeking to liquidate a significant portion of the loan, it may only be able to sell it at a significant discount. There can be no assurance that a liquid market for the loan will develop over time or that the market will remain as liquid as it is now. Such event may have a material adverse effect on the Issuer's business, net assets, financial condition, cash flow and results of operations and may impair the ability of the Issuer to fulfil its obligations under the Bonds.

5. Valuation

If at any times, the value of a relevant loan may change as a consequence of a modification of some of the parameters established in the model for the valuation of these investments, such modifications may have a negative effect on the (re)payments to be received by the Issuer under the relevant loan. Because of the inherent uncertainty of valuing investments not traded on public exchanges, such as the loan, the valuation may differ significantly from the value that will ultimately be realized on such investments, and this difference could be material. Even third-party pricing information may at times not be available regarding certain of these investments. Additionally, valuation models are subject to data provided by different sources. There is no assurance that such information is accurate or sufficient. Valuations of the loans involve significant uncertainties and determinations based on judgments, may have a material adverse effect on the Issuer's business, net assets, financial condition, cash flow and results of operations and may impair the ability of the Issuer to fulfil its obligations under the Bonds.

6. Financial risk management

The Issuer's business operations involve financial risks primarily related to currency, interest rate, commodity, liquidity, credit and investment market risks. The general risk management principles are approved by the the board of directors and implemented by the operational management of the Group. The audit committee operating under the Issuer's board of directors is responsible for assessing the sufficiency and the pertinence of risk management. For risk management purposes, the Group concludes forward contracts, options, commodity derivatives, interest rate swaps and reference rate changes, if necessary, as well as various selling and buying orders based on threshold values.

The aforementioned risks may have a material adverse effect on the conduct of business, particularly on the net assets, the cash flow, the Group's operational results and thus on the ability of the Issuer to meet its obligations under the Bonds.

7. Currency risk

Due to its international operation, the Group is subject to currency transaction risks as well as risks which arise in case of the conversion of different currencies, investments, assets and

liabilities into the Issuer's functional currency. The most significant currencies for the Group are the U.S. dollar (USD) and the Swedish krona (SEK).

In relation to the aforementioned risks, currency positions are determined at least once a year, and the currency positions are hedged, in accordance with foreign exchange trends, with hedging instruments to a degree ranging from 0 to 125 percent. Other currencies can be also hedged. However, there is no certainty that the level of hedging will be sufficient under all circumstances. Therefore, a significant currency change can adversely affect the conduct of business, the financial position and the future prospects of the Group. Currently, the Group has not hedged net investments in foreign units by using external loans denominated in the corresponding currency or by using foreign exchange forward contracts. All of the Group's external loans are denominated and payable in EUR.

The importance of the U.S. dollar for the Group, relies on the purchase of metals, the prices of which are determined based on the U.S. dollar. The effect of metal prices and the USD/EUR ratio is essential to the Group. Depreciation of the EUR against the U.S. Dollar on the closing date of a given the financial period may have an effect on the operating result of the Group and may impair the ability of the Issuer to fulfil its obligations under the Bonds.

8. Interest rate risk

The Group's interest rate risks arise from the borrowing process. Finance leases and a specific part of the external loans have fixed interest rates. The reference rates for other external loans is 3-month Euribor. The Group has financial covenants linked to the part of the funding. Due to the risks affecting the business performance, the non-fulfillment of financial covenants constitutes a certain risk, which may result in an adverse effect on the funding conditions of the Group and may impair the ability of the Issuer to fulfil its obligations under the Bonds.

9. Commodity risk

In the cable segment, the key raw materials are metals (copper and aluminium) and plastics. Partial price hedging through commodity derivatives is used in metal purchases. The importance of the formation of dollar prices related to metals is explicit, as it constitutes the development of the USD/EUR ratio.

The increase of the market value of aluminium on the closing date of a given the financial period may have an effect on the operating result of the Group in terms of commodity derivatives.

10. Liquidity risk

In order to ensure liquidity and sufficient funding by conducting negotiations on financing and payment terms, measures for boosting inventory and freeing up capital assets are adopted. The Group aims to the continuous evaluation and monitoring of the amount of financing required by its business operations in order to ensure that the Group has sufficient liquid funds to finance operations and repay loans.

The Group uses sales of accounts receivables as a part of optimising circulation of working capital and controlling liquidity risk.

Part of funding is linked with covenants. Due to risks affecting the business performance, the non-fulfillment of financial covenants constitutes a certain risk. Used covenants form currently equity ratio, ownership, net debt to EBITDA and clean down period.

11. Credit risk

Bondholders are subject to credit risk with regard to the Issuer and the insolvency of the Issuer, which may lead to a total loss of the investment of Bondholders.

In case of insolvency, the Issuer faces usually difficulties to meet its obligations resulting from the issuance of the Bonds. Therefore, the insolvency of the Issuer may lead to the interest and capital payment default and in the worst case scenario to a total loss of the invested capital. The claims under the Bonds are not subject to any legal deposit protection, other protection schemes or guarantees.

The Group manages its credit risk by regularly monitoring the credit rating of its key partners – customers, suppliers and other partners – and by regularly and actively monitoring customer payment behaviour and external information. In addition, the Guarantor has customer-specific credit insurance. The Group also manages its credit risk through market-specific and customer-specific payment terms. The Group's maximum credit risk corresponds to the book value of financial assets at the end of the financial period.

12. Investment market risk

Securities investments result in investment market risks for the Group. Market prices of shares, changes in fund values and the general market situation affect the Issuer's performance through changes in the values of the said investments. The Issuer had no active investments in securities on the closing date of the financial period 2018.

13. Customer risk

The Group deals with some major customers in the cable business. The loss of one or more of those customers could have an adverse effect on the conduct of business, the financial results and the position of future prospects. This may lead to a material adverse effect on the Group's conduct of business, net assets, financial condition, cash flow, operational results and on the ability of the Issuer to meet its obligations under the Bonds.

14. Quality of executives, other key personnel, and highly-qualified employees of the Group

The success of the project development of the Group is, among other factors, fundamentally based on the ability of the management and other executives and key employees to identify and exploit suitable business opportunities for the Group. If one or more members of the management or key employees depart from the Group, the failure of the Group in the recruitment of management or key employees with the same level of qualifications within a reasonable timeframe and in line with the market is possible. Such departures would mean the loss of valuable knowledge and experience and may have a considerable impact on the operational management and activities of the Group until suitable replacements are found. The departure of such personnel may impair the ability of the Group to complete development projects on time or to manage existing properties competently. The Group may find it unable to fill management positions and to retain the managers and employees needed to conduct its business efficiently. Furthermore, the necessary use of resources to attract and retain qualified employees may adversely affect the Group's operating margin. These factors may therefore have a material adverse effect on the Group's business, net assets, financial condition, cash flow, operational results and thus on the ability of the Issuer to meet its obligations under the Bonds.

15. Insufficient insurance coverage

The Group uses insurances as part of its risk management. There is, however, no guarantee that the level and nature of the insurances will be sufficient under all circumstances. The incorrect evaluation of insurance coverage may result in risks such as liability or natural catastrophes only being covered to a limited extent or not being covered by insurance policies at all. Therefore, the Group is exposed to the risk of having insufficient or no insurance coverage for risks such as inflation, changes in the legal provisions for building and regional planning, legal deficiencies such as lack of ownership, construction defects, floods, fire or similar natural catastrophes as well as terrorism and other damage events related to the cable

activities. In case of a loss incurred which exceeds the sum insured or in respect of which no cover is provided, the Group may lose the capital invested and expected revenues or appreciation may not occur. Moreover, additional costs may arise for the Group from repairing damage caused by uninsured risks and the Group would continue to be liable for debt and other financial obligations arising thereunder. Substantial losses exceeding the insurance coverage may be incurred having a material adverse effect on the Group's business, net assets, financial condition, cash flow, operational results and may impair the ability of the Issuer to fulfil its obligations under the Bonds.

16. Machine break down risk

The Group pays attention to the maintenance of production facilities. The Group also has insurance for possible unplanned production shutdown due to machine break down. There is, however, no guarantee that such insurance will be sufficient under all circumstances. There is also the risk of adverse effect on customer relationships if deliveries are delayed.

17. Raw material availability risks

In the cable industry, the key raw materials are metals (copper and aluminium) and plastics. Even though the cable segment uses more than one supplier to key materials, it cannot be guaranteed that the availability of raw material will be sufficient under all circumstances. This may lead to a material adverse effect on the Group's business, net assets, financial condition, cash flow, operational results and on the ability of the Issuer to meet its obligations under the Bonds.

18. Environmental risks

The Guarantor's environmental management system is certified according to ISO 14001 standard. The amendments of legislative requirements can cause substantial costs in order to proceed to the necessary amendments in all production processes and facilities. This may lead to a material adverse effect on the Group's business, net assets, financial condition, cash flow, operational results and on the ability of the Issuer to meet its obligations under the Bonds.

19. Cable market development

The Group is also exposed to business risks regarding the cable market development. The fluctuation in demand or its decrease may strongly affect the competition where parties optimize their production facility usage. In such case the material price increases may not be able to add to customer prices and or the usage of production capacity may be low. This may lead to a material adverse effect on the Group's business, net assets, financial condition, cash flow, operational results and on the ability of the Issuer to meet its obligations under the Bonds.

20. Environmental risks, risk of catastrophes and terrorist attacks

Environmental and safety regulations set out effective and latent obligations in the markets in which the Group is active. Obligations for remediation due to environmental or safety regulations and the resulting consequences may have material adverse effects on the Group's business, net assets, financial condition, cash flow and results of operations. These negative effects can result in civil and criminal liabilities and consequences in the case of the violation of environmental regulations by the Group, its employees or those responsible. Some regulations and provisions which are constantly subject to possible changes impose sanctions where emissions are discharged into the air, or leak into the soil or water, including asbestos which can lead to liabilities towards third parties for personal or other damages. The presence of such contamination or the failure to remove such substances can impair the ability of the Group to sell the affected property or to use it as collateral.

More strict environmental, health and safety laws and implementation measures may result in significant expenses and liabilities and require a more thorough investigation of the properties

held by the Group compared to current practice. The compliance with these provisions may lead to substantial investment and other costs and therefore have a material adverse effect on the Group's business, net assets, financial condition, cash flow and results of operations and the ability of the Issuer to meet its obligations under the Bonds.

21. Counterparty risks

The Group is involved in development projects with partners. It cannot be ruled out that the Group has not or will not have exclusive control of the identification, acquisition or the development, financing or other aspects of current or future development projects, nor is it able to exert any influence over the way in which joint venture partners conduct themselves, nor is there any certainty that joint real estate properties can be optimally realized. Important decisions among joint venture partners usually require unanimous votes. Furthermore, the interests or objectives of its partners may conflict with or pose an obstacle to those of the Group. In the case of these investments, the Group is often dependent on the resources of its partners, in particular their staff resources. Differences of opinion between the partners may lead to significant disruptions regarding these projects and to court proceedings, even if the Group is able to retain control over the project.

The Group is exposed to the credit risk of its counterparties in such a partnership or under such a co-investment agreement and their ability to meet and comply with the conditions of these agreements. Depending on the respective agreement, the Group may also be joint and severally liable with its co-investors for costs, taxes and other third party claims and it may have to bear the credit risk of its co-investors in the event of their default. In the event of a default of co-investors, the Group may also be obliged to bear their proportion of the costs, taxes or other liabilities, without being able to seek recourse against them (for instance, due to their insolvency or a limitation period). The Group may be exposed to significant delays in the event of a liquidation of an investment, may incur significant losses during the period in which it asserts its rights, including impairment losses on investments, costs and fees, or it may find that it is not in a position to realize profits. Even if the Group has a steering role under the respective contractual arrangements concluded with its partners, there is still the risk that this role is not exercised efficiently and in a timely manner. Where it has compensation claims against a co-investor, there is the risk that such claims may be irrecoverable, in particular in the event of the insolvency of the co-investor. All of these factors may have a material adverse effect on the Group's business, net assets, financial condition, cash flow and results of operations and thus, on the ability of the Issuer to meet its obligations under the Bonds.

22. Risks relating to the delegation of tasks to third parties

The Group outsources some tasks relating to the cable activities and its administrative tasks to external third parties. It is possible that knowledge of the cable industry and the administrative processes involved is lost during the course of delegating tasks, and the Group may be unable to identify and contract with suitable and reliable service providers within the required timeframe. This may have a material adverse effect on the business, net assets, financial condition, cash flow and results of operations of the Group and thus on the ability of the Issuer to meet its obligations under the Bonds.

23. Disruption of operation, security of computer and data processing systems

The Group depends on the efficient and uninterrupted operation of its computer and data processing systems. Computer and data processing systems are generally vulnerable, susceptible and prone to disruptions, damage, power failures, computer viruses, fires and similar events and may be exposed to unlawful or other harmful acts such as unauthorized access, data misuse and theft (hacking). For this reason, it cannot be ruled out that these systems may be subject to operational disruptions or interruptions or that they are compromised by third parties. Due to the fact that the Group's structure is decentralized and because a significant portion of the Group's business activities are abroad, the Group relies on the smooth

operation of Group-wide corporate reporting. Disruptions or interruptions in the operations of the computer and data processing systems used by the Group may impede effective management of the Group. Where the confidentiality of sensitive data, for instance that of business secrets, the valuations of individual properties, or other internal information regarding projects or properties, is breached by data misuse or theft, this may significantly impair and cause great damage to the operation-al and strategic business of the Group and its business model in general. This may have material adverse effects on the business, net assets, financial condition, cash flow and results of operations of the Group and/or the Issuer and thus on the ability of the Issuer to meet its obligations under the Bonds.

24. General risks relating to the loans

The Issuer will generally use the net proceeds of the issue of the Bonds for general corporate and financing purposes of the Group. These general corporate and financial purposes may include, among other things, the refinancing of existing indebtedness, acquisitions and general working capital requirements to entities of the Group. The loans granted to the relevant entities of the Group will not be secured. Such affiliated companies may default on its payments of interest and principal owed to the Issuer, and such defaults may have a material adverse effect on the Issuer's business, net assets, financial condition, cash flow and results of operations and may impair the ability of the Issuer to fulfil its obligations under the Bonds. An economic downturn generally leads to a higher non-payment rate, and a debt obligation may lose significant value before a default occurs. No active trading market may exist for the loan, which may impair the ability of the Issuer to realize full value in the event of the need to liquidate such assets. Adverse market conditions may impair the liquidity of the loans.

25. Credit risk

The loans will be subject to the risk of non-payment of scheduled interest or principal by the relevant entity of the Group. Such non-payment would likely result in a reduction of the cash flow to the Issuer.

In case of enforcement of any loan, there can be no assurance that the liquidation of any assets of the relevant entity of the Group would satisfy such entity's obligation in the event of non-payment of scheduled interest or principal payments with respect to such investment, or such assets could be readily liquidated. In addition, in the event of bankruptcy of such entity of the Group, the Issuer could experience delays or limitations with respect to its ability to realize the assets of such entity of the Group. The Issuer's right to payment and its security interest, if any, may be subordinated to the payment rights and security interests of more senior creditors.

26. Risks regarding the validity and enforceability of the loans and the loan agreements

The loans and the loan agreements may, for a variety of reasons (including without limitation errors or misunderstandings about the conclusion of the agreement, fraud, consumer protection law, pricing or usury laws etc.) be challengeable, invalid or not enforceable and there is a risk that a relevant entity of the Group may challenge or deny the validity of the agreement relating to the loan and the related loan agreement or the enforceability of the claims for interest payments and repayment of the loan. This event may have a material adverse effect on the Issuer's business, net assets, financial condition, cash flow and results of operations and may impair the ability of the Issuer to fulfil its obligations under the Bonds.

27. Interest rate fluctuations

The loans are subject to the risk of increases in prevailing interest rates. Interest rate changes may also increase prepayments of debt obligations and require the Issuer to invest assets at lower yields. Such interest rate fluctuations may have a material adverse effect on the Issuer's business, net assets, financial condition, cash flow and results of operations and may impair the ability of the Issuer to fulfil its obligations under the Bonds.

B. Legal Risks of the Group

1. Risks resulting from legal disputes related to operational business of the Group

The Group may be involved in legal disputes as plaintiff or defendant within the scope of its ordinary business. The Group may be involved in disputes and litigation in different jurisdictions where legal systems and procedures deviate significantly from Finnish standards or others with which Bondholders may be familiar. The respective applicable procedural law, different levels of efficiency of the competent courts and the complex nature of the legal disputes may prolong proceedings and also give rise to the risk that even with regard to disputes with positive expectations no timely payment will be received or there is no obligation to effect payment. In general, the Group has established balance-sheet provisions for legal disputes. It cannot be ruled out that these forecasts will change in the future and that adjustments will need to be made to the valuation of balance sheet items for this reason. If insufficient value adjustments or provisions are made, the result of such legal disputes may have a material adverse effect on the Group's business, net assets, financial condition, cash flow and results of operations and may impair the ability of the Issuer to fulfil its obligations under the Bonds.

2. Specific risk related to political, economic and legal environments in Northern Europe

The Issuer is an entity established and administered under Finnish law. The affiliated companies of the Issuer are established under the laws of the countries where the Group is active (in particular in Northern Europe). The Group structure is based on the current political, economic and legal framework conditions. Changes in the political and economic system as well as in the legislation, jurisdiction or administration practice may lead to the necessity of reorganization, which may have a material adverse effect on the Group's business, net assets, financial condition, cash flow and results of operations and may impair the ability of the Issuer to fulfil its obligations under the Bonds.

3. Risk of change in legislation

The structure of the Group is based on the current tax framework regulation. Due to changes in legislation, jurisdiction or administrative practice, the conclusion or implementation of double taxation agreements, the tax environment in general or certain reasons of the Group for the maintenance of its structure, the Group may be subject to a higher tax burden than expected. The saving and consolidation measures undertaken to react to the sovereign debt crisis may cause significant changes in tax provisions in certain European countries. This causes considerable uncertainty with regard to the continuity of the tax framework regulation, in respect of which no predictions can be made at this stage.

The companies of the Group are subject to a wide range of tax regulations, partly not being in force for long and being enforced by different regional authorities. There are hardly any precedents for the enforcement and administrative practice can be unpredictable. Taxpayers often have to take legal action to defend themselves against the tax authorities. The risk of unpredictable and burdensome taxation persists therefore for companies of the Group.

The Group's investment and financing policy can be significantly impaired by changed cash flows due to a changed tax burden. Changes in tax regulations may have material adverse effects on the Group's business, net assets, financial condition, cash flow and results of operations and may impair the ability of the Issuer to fulfil its obligations under the Bonds.

4. Insufficient control and prevention mechanisms of the Group's compliance structure

The Group's techniques and strategies may not be fully effective in mitigating its risk exposure in all economic market environments or against all types of risk, including risks that the Group fails to identify or anticipate. Some of the Group's qualitative tools and metrics for managing risk are based upon its use of observed historical market behaviour. The Group applies statistical and other tools to these observations to arrive at quantifications of its risk exposures. These tools and metrics may fail to predict future risk exposures. These risk exposures could, for example, arise from factors the Group did not anticipate or correctly evaluate in its statistical models. In addition, the Group's quantified modelling does not take all risks into account. Its more qualitative approach to managing those risks could prove insufficient, exposing it to material unanticipated losses. If the Group's risk management turns out to be inadequate, losses greater than anticipated could harm the Group's revenues and profits as well as its reputation.

To protect the Group against legal risks and other potential harm, "Standards of Management Conduct" have been implemented. Binding policies apply to all employees and the members of the management board and address conduct, corruption prevention, conflicts of interest, information and data protection, discrimination, environmental protection and protection of company property. As part of the "Standards of Management Conduct" all compliance competencies are assumed by the Group's compliance officer who reports to the management board. Legal and compliance risks are addressed by the Group's risk management. However, there can be no assurance that the aforementioned compliance arrangements will be sufficient to completely prevent all unauthorized practices, legal infringements or corruption within the Group. Any failure in compliance could have material adverse effects on its net assets, financial condition, cash flow, results of operations and reputation.

C. Risk Factors relating to the Bonds

BONDHOLDERS SHOULD BE FULLY AWARE OF THE TERMS AND CONDITIONS OF THE BONDS.

The discussion below is of a general nature and is intended to describe various risk factors associated with an investment in the Bonds. What factors will be relevant to the Bonds will depend upon a number of inter-related matters including, but not limited to, the nature of the Bonds.

More than one risk factor may have simultaneous effect with regard to the Bonds such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No assurance can be given as to the effect that any combination of risk factors may have on the value of any Bonds.

1. The Bonds may not be a suitable investment

Each prospective Bondholder must determine the suitability of the investment in light of its own circumstances. In particular, each prospective Bondholder should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Prospectus or any supplement thereto;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds where the currency for principal payments is different from the prospective Bondholder's currency;

- understand fully the Terms and Conditions and be familiar with the behaviour of any relevant indices and financial markets;
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks; and
- be able to evaluate (either alone or with the help of own counsel and/or accountants) the various legal, regulatory, accounting, tax and economic considerations relating to the Bonds or otherwise a potential investment in the Bonds.

2. Risks related to the structural subordination of Bonds

The Bonds are guaranteed only by the Guarantor. Claims of holders of the Bonds will be structurally subordinated to all indebtedness and the claims of creditors of any non-guarantor subsidiaries, including trade creditors. All indebtedness and obligations of any non-guarantor subsidiaries will have to be satisfied before any of the assets of such subsidiaries would be available for distribution upon liquidation or otherwise to us or to the Guarantor of the Bonds.

3. Solvency risks of the Issuer

The solvency of the Issuer can change during the maturity of the Bonds.

The solvency of the Issuer significantly influences the price development of the Bonds. In addition to the factors surrounding the Issuer's business development, a policy of paying excessive dividends (which cannot be influenced by the Bondholders) may have adverse effects on the Issuer's solvency. A deterioration of the Issuer's solvency may lead to a negative price development and selling the Bonds before maturity may lead to losses.

4. Decrease of market interest rate

While the nominal interest rate of a Bond is fixed for the entire tenor of such Bonds, the current interest rate on the capital markets (market interest rate) typically changes on a daily basis. As the market interest rate changes, the market price of a Bond with a fixed interest rate also changes – but in the opposite direction. The longer the remaining term of a bond, the bigger the change of the price is when a change of the interest level occurs. If the market interest rate increases, the price of fixed rate bonds typically falls until the yield of such bond approximately equals the market interest rate. If the market interest rate decreases, the price of a fixed interest rate bond typically increases until the yield of such Bond is approximately equal to the market interest rate. Potential investors should be aware that fluctuations of the market interest rate can have adverse material effects on the price of the Bonds and that the selling of the Bonds before maturity can lead to losses.

5. Risks related to the lack of liquid market development, suspension of the Bonds trading, revocation of the listing of the Bonds

Bondholders are exposed to the risk that a liquid market for the Bonds does not develop or that trading of the Bonds is suspended. Revocation of the listing or suspension of trading with Bonds can lead to distorted pricing or to the sale of the Bonds becoming impossible.

The liquidity (tradability) of the Bonds is influenced by different factors such as issue volume, facilities and market situation. Application will be made to the Luxembourg Stock Exchange for the Bonds to be admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange and the listing on the LGX-Green exchange. Regardless of the admission, it cannot be guaranteed that a secondary market for the Bonds will develop and/or persist. In an illiquid market it may happen that Bondholders are not able to sell their Bonds at any time or at a market price in line with their expectations.

The admission of the Bonds to be traded on a regulated market may be revoked for numerous reasons (e.g. due to a decision of the exchange operating company or the supervisory authority or upon application of the Issuer) and/or the Bonds may be suspended from trading by the exchange operating company or the competent financial market authority (e.g. if certain price limits are exceeded, legal provisions are infringed, in case of operational problems of the stock exchange, in case of publication of information relevant to stock prices or in general, if it is necessary to guarantee a functioning market or the protection of Bondholders). The suspension of trading typically means that orders already placed expire. The Issuer is not able to influence the revocation or suspension from the trade (except where it is based on an action taken by the Issuer) and Bondholders are exposed to this risk.

Finally Bondholders have to consider that neither revocation nor suspension from the trade is necessarily a sufficient or proper instrument to avoid market or price disturbances or to protect the Bondholders' interests. If, for instance, trading is suspended because information relevant to stock prices is published, it is possible that the price of the Bonds was already influenced prior to the suspension. All of this may lead to the market price not corresponding to the value of the Bonds so that the Bonds cannot be sold or can only be sold for a price that is lower than the value of the capital employed by the Bondholder to purchase the Bond or lower than the value of the Bond at the time of sale. Bondholders must in particular not rely on the possibility to sell the Bonds at a certain time at a certain price.

6. Risk that reinvestment is only possible at less favourable conditions

In case of premature sale and premature redemption of the Bonds as well as their repayment at the Maturity Date, it is uncertain that the Bondholders can reinvest their capital under at least equivalent conditions.

7. Dependence on the operation of the clearing systems

The Global Bond, which will document the Bonds, will be kept in custody through a common depository by the Paying Agent. Hence, purchases and sales of securities do not take place through delivery of physical certificates but are settled through a clearing system. With respect to the transfer of each Bonds and the receipt of payments out of each Bonds, the relevant Bondholders are reliant on the operation of the relevant process. The Issuer assumes no responsibility or liability for the actual booking of the securities to the securities account of the relevant Bondholder in case of an acquisition or for derecognition when relevant Bonds are sold. Due to the use of clearing systems, there is the risk that bookings are not made, not made within the time expected by the relevant Bondholder or only made with a delay and therefore the relevant Bondholder suffers economic disadvantages.

8. Future inflation risks

The inflation risk indicates the possibility that financial assets such as bonds or their interest depreciate if the purchasing power of a currency falls due to inflation. The actual yield from an investment is reduced by inflation. If the inflation rate is higher than the interests of the Bonds, the actual yield is negative and such situation could lead to a reduction in the return on investment in the Bonds.

9. Transaction costs and charges

Purchasing, depositing and selling Bonds may trigger commissions, transaction and other fees causing significant costs, which can be especially high with regard to small order values. These additional costs may significantly reduce any profit gained by holding the Bonds. Hence, prior to the purchase or sale of the Bonds potential investors should inform themselves of the specific costs they would incur.

10. Tax consequences of investing in the Bonds

For interest payments from the Bonds and disposal proceeds of the relevant Bondholder realized by sale or re-payment of the Bonds it may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the relevant Bonds are transferred or other jurisdictions. Potential investors who are uncertain of the tax implications of an investment in the Bonds are advised to ask their own tax advisor for advice on their individual taxation. Furthermore, applicable tax law provisions may change in the future to the disadvantage of Bondholders, e.g. with regard to the taxation treatment of the ownership of the Bonds, interest payments and realized disposal proceeds.

11. Acquisition of the Bonds financed with debt

Bondholders which finance the acquisition of any Bonds with debt should bear in mind that current interest payments of the Bonds may be lower than the interest rate of any loan taken out. Bondholders cannot rely on the ability to cover the credit liabilities (including interests) with yields or realized disposal proceeds of the Bonds. If the purchase of the Bonds was financed by a loan and later on a payment delay or default of the Issuer occurs, or the rate of the Bonds decreases, the Bondholder has to bear its own loss as well as pay the credit interest and repay the loan. In general, it is not recommended to finance the purchase of Bonds by a loan.

12. Regulatory or administrative practice change

The Terms and Conditions of the Bonds are subject to Luxembourg law as in force at the date of this Prospectus. No assurances can be given with regard to the impacts of possible court decisions or changes in Luxembourg law provisions (or the law applicable in Luxembourg) or the administrative practice, that takes place after the date of this Prospectus. Bondholders are exposed to the risk that those decisions and/or changes negatively affect the Issuer, the Bonds and the Bondholders.

13. The purchase of the Bonds may violate applicable law

Neither the Issuer, nor the Group, the Agents and their affiliates are responsible for the legitimacy of the acquisition of Bonds by potential investors or their compliance with the applicable provisions of national law or the respective administrative practice in the home country of the investor. Potential investors must not rely on the Issuer nor the Group, the Agents and companies affiliated with them with regard to the legitimacy of the acquisition of the Bonds.

14. The use of proceeds of the Bonds may not meet investor expectations or requirements.

The Issuer will exercise its judgement and sole discretion in determining the businesses and projects that will be financed by the proceeds of the Bonds. If the use of the proceeds of the Bonds is a factor in an investor's decision to invest in the Bonds, they should consult with their legal or other advisers before making an investment in the Bonds. There can be no assurance that any of the businesses and projects funded with the proceeds from the Bonds will meet the Issuer's Green Bond Framework dated October 2019 (the "**Green Bond Framework**") or an investor's expectations or requirements. Furthermore, there is no contractual obligation to allocate the proceeds of the Bonds to finance eligible businesses and projects or to provide annual progress reports as described in the Green Bond Framework. The Issuer's failure to so allocate or report, the failure of any of the businesses and projects funded with the proceeds from the Bonds to meet the Green Bond Framework, or the failure of external assurance providers to opine on the conformity of the allocation of the proceeds of the Bonds with the Green Bond Framework, will not constitute an event of default under the Bonds and may affect the value of the Bonds and/or have adverse consequences for certain investors with portfolio mandates to invest in green assets.

Furthermore, it should be noted that there is currently no clearly-defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green" or "sustainable" or an equivalently- labelled project or as to what precise attributes are required for

a particular project to be defined as “green” or “sustainable” or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors that any projects or uses the subject of, or related to, any of the businesses and projects funded with the proceeds from the Bonds will meet any or all investor expectations regarding such “green”, “sustainable” or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any of the businesses and projects funded with the proceeds from the Bonds.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of the Bonds and in particular with any of the businesses and projects funded with the proceeds from the Bonds to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Prospectus. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer or any other person to buy, sell or hold the Bonds. Any such opinion or certification is only current as at the date that opinion was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in the Bonds. The providers of such opinions and certifications are not currently subject to any specific regulatory or other regime or oversight.

If the Bonds are at any time listed or admitted to trading on any dedicated “green”, “environmental”, “sustainable” or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own bylaws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any of the businesses and projects funded with the proceeds from the Bonds. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer or any other person that any such listing or admission to trading will be obtained in respect of the Bonds or, if obtained, that any such listing or admission to trading will be maintained during the life of the Bonds.

15. Bonds issued may not be a suitable investment for all investors seeking exposure to green assets

In connection with the issue of the Bonds under this Prospectus, the Issuer may request a sustainability rating agency or sustainability consulting firm to issue a second-party opinion confirming that any eligible green projects have been defined in accordance with the broad categorisation of eligibility for green projects set out by the International Capital Market Association (ICMA) Green Bond Principles 2018 (GBP) and/or a second-party opinion regarding the suitability of the Bonds as an investment in connection with certain environmental and sustainability projects (any such second-party opinion, a **“Second-party Opinion”**). A Second-party Opinion may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may affect the value of the Bonds or the projects financed or refinanced toward an amount corresponding to the net proceeds of the relevant issue of Bonds in the form of “Green Bonds”. A Second-party Opinion would not constitute a recommendation to buy, sell or hold securities and would only be current as of the date it is released. In addition, although the Issuer may agree at the time of issue of the Bonds to certain reporting and use of proceeds it would not be an event of default under the Bonds if the Issuer was to fail to comply with such obligations. A withdrawal of the Second-party Opinion

may affect the value of the Bonds and/or may have consequences for certain investors with portfolio mandates to invest in green assets.

16. Prescription of claims

Claims towards the Issuer for repayment relating to the any Bonds become time-barred and terminate, if not asserted within ten years (in respect of repayment of principal) and five years (in respect of interests). There is a risk that Bondholders will not be able to assert their payment claims against the Issuer after expiration of the limitation periods.

17. Lack of influence on the Issuer

The Bonds exclusively represent the rights of the Bondholder (creditors' rights). However, these rights do not constitute shareholders' rights, in particular they do not entitle Bondholders to participate in or vote at the shareholders' meeting of the Issuer. The Bondholders are not able to impact the business policy or the entrepreneurial decisions of the Issuer or the Group. The Issuer may operate against the will of investors and make decisions in future that deviate from the information provided in this Prospectus. This may impede the ability of the Issuer to meet its obligations under the Bonds and hence have material adverse effects on Bondholders.

18. Exchange rate risks and exchange controls

Potential investors should bear in mind that an investment in the Bonds involves currency risks. This presents certain risks relating to currency conversions if a Bondholder's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the specified currency of the Bonds. These include the risk that exchange rates may change significantly (including changes due to devaluation of the specified currency of the Bonds or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the specified currency of the Bonds would decrease (i) the Investor's Currency-equivalent yield on the Bonds, (ii) the Investor's Currency equivalent value of the principal payable on the Bonds and (iii) the Investor's Currency-equivalent market value of the Bonds.

In addition, government and monetary authorities may impose (as some have done in the past) ex-change controls that could adversely affect an applicable currency exchange rate. As a result, Bond-holders may receive less interest or principal than expected, or no interest or principal.

19. Withholding tax under the Bonds

In the event that withholding taxes are imposed in respect of payments due in respect of the Bonds, neither the Issuer nor any other person is obliged to gross up or otherwise compensate the Bondholders for the lesser amounts received as a result of the imposition of such withholding taxes.

Under certain provisions of the U.S. Internal Revenue Code inserted by the U.S. Foreign Account Tax Compliance Act (commonly referred to as "**FATCA**"), the Issuer will become subject to a 30% withholding tax on certain payments it receives from U.S. sources unless it enters into an agreement (a "**FATCA agreement**") with the U.S. Internal Revenue Service (the "IRS") pursuant to which it agrees to report to the IRS information about its "United States accounts" and comply with certain procedures further determined by the IRS. On March 28, 2014 Luxembourg concluded an intergovernmental agreement to "Improve International Tax Compliance and with respect to the United States Information and Reporting Provisions Commonly Known as the Foreign Account Tax Compliance Act" (the "**Luxembourg IGA**"). Under the Luxembourg IGA, the United States and Luxembourg have agreed to implement FATCA through domestic reporting duties for financial institutions, an automatic exchange of account information between the public authorities of the two countries and on the basis of

existing bilateral tax treaties. The provisions of the Luxembourg IGA entered into force in Luxembourg on 29 July 2015. On 13 December 2018, the Treasury and the Internal Revenue Service issued Proposed Regulations (REG-132881-17) under FATCA, eliminating withholding on the payments of gross proceeds and deferring withholding on foreign passthru payments. Under the Luxembourg IGA, the Unit Issuer qualifies as a participating foreign financial institution (“**participating FFI**”).

As a participating FFI the Issuer has to report to the Luxembourg tax authorities (and thus, indirectly, to the IRS) Bondholders that are U.S. persons for purposes of U.S. federal income taxation. In addition, the Issuer (or if payments on the Bonds are made through an intermediary such as a clearing system or broker that is a participating FFI, such participating FFI) may then be required, pursuant to the Luxembourg IGA (or if payments on the Bonds are made through an intermediary pursuant to the intermediary's FATCA agreement or an applicable intergovernmental agreement) to apply a 30% withholding tax (a “**FATCA Withholding**”) to any payment made on the Bonds after 31 December 2016 to a foreign financial institution that is not a participating FFI or to Bondholders who have not identified themselves as not being U.S. persons for purposes of U.S. federal income taxation, to the extent the payment is considered to be a “foreign passthru payment”. A passthru payment is defined in section 1471(d)(7) of the US Internal Revenue Code as any withholdable payment or other payment to the extent attributable to a withholdable payment.

20. Financial transactions tax under the Bonds

On 14 February 2013, the European Commission published a proposal for a directive for a common financial transactions tax (“**FTT**”) in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**participating Member States**”). However, Estonia has since stated that it will not participate. The FTT as proposed by the European Commission could, if introduced, apply to certain dealings in the Bonds in certain circumstances, in particular where at least one party is a financial institution. The FTT, if introduced, could apply to persons both within and outside of the participating Member States. As a result, Bondholders may be burdened with additional costs for the execution of transactions with the Bonds.

D. Risk factors relating to the security created under the Pledge Agreement and the Guarantee

1. The security created under the Pledge Agreement and the Guarantee may not be sufficient to cover all the secured obligations and the enforcement of the security may be delayed or the security may not be enforceable at all

There is no assurance that the security created under the Pledge Agreement and the Guarantee, benefiting the holders of the Bonds, will be sufficient to cover all the secured obligations and, therefore, all the Issuer's payment obligations under the Bonds may not be secured, if at all.

Under the Pledge Agreement, the Pledgor creates business mortgages over its assets up to EUR 10,000,000 (the “**Bondholders Mortgages**”). Prior to the granting of the Bondholders Mortgages, business mortgages in the aggregate amount of EUR 13,000,000 had been granted to the benefit of existing financiers of the Pledgor (the “**Existing Mortgages**”) with better ranking priority compared to the Bondholders Mortgages. Consequently, in the case of an enforcement of the Existing Mortgages by the existing financiers and of the Bondholders Mortgages by the Security Agent, existing financiers will have priority in relation to the Bondholders to enforcement proceeds generated from the enterprise assets of the Pledgor up to an amount of EUR 13,000,000.

A business mortgage will cover, in principle, all assets of the pledgor, such as inventories and trade receivables. A business mortgage does not cover immovable properties (real estates, buildings thereon and such equipment which can be considered to constitute a part or fixture of the land or building), tax refunds and certain other assets, which under law can be subject to specific fixed charges, such as airplanes, vessels and vehicles. Shares and receivables may be pledged separately, and if separately pledged, such shares or receivables will not be covered by the business mortgage.

The enforcement of a business mortgage requires a court decision establishing the debtor's payment liability. When bankruptcy proceedings have been initiated against the debtor, a business mortgage can no longer be enforced separately from the bankruptcy proceedings. Further, enforcement proceedings that have not been completed by the time bankruptcy proceedings are initiated will be discontinued. In the event of bankruptcy, a business mortgage is only entitled to 50% of the realised value of the charged assets, while the remaining 50% is available for distribution to the unsecured creditors. The mentioned 50 % rule does not apply to the enforcement of a business mortgage outside of insolvency proceedings and the business mortgage holders will enjoy priority to payment out of the proceeds of all assets covered by the mortgage. If a business mortgage is enforced before bankruptcy commencement of the debtor company, the business mortgage holder has priority for the entire amount of the net proceeds covered by the mortgage.

In the case of an enforcement of the Existing Mortgages and the Bondholders Mortgages, existing financiers will have priority in relation to the Bondholders to enforcement proceeds generated from the enterprise assets of the Pledgor up to an amount of EUR 13,000,000. As at the date of this Prospectus, the aggregate debts of the Pledgor to the existing financiers holding the Existing Mortgages is approximately EUR 7,300,000, including a credit limit only partly utilized that, if fully utilized, would increase the aggregate debts to the existing financiers holding the Existing Mortgages to approximately EUR 9,300,000. The Issuer intends to make payments so that the amount of the indebtedness covered by the Existing Mortgages at the end of year 2019 will be EUR 6,300,000 and at the end of year 2020 EUR 5,800,000. It is further scheduled that, until the maturity date of the Bonds, the outstanding indebtedness covered by the Existing Mortgages will be repaid up to EUR 2,500,000. According to the Issuer, as at 30 September 2019, the total assets of the Guarantor excluding the real estate totaled approximately EUR 37,700,000, and hence the Issuer believes that the Bonds would be recovered in an insolvency scenario of the Issuer. However, the result and the proceeds of any enforcement depend on prevailing circumstances and the financial status of the Issuer and the Guarantor at the time of any enforcement and hence the Issuer cannot assure that the proceeds of any enforcement of the Pledge Agreement and/or the Guarantee would be sufficient to satisfy all amounts then owed to the Bondholders. In addition, any enforcement may be delayed due to any inability to sell the security assets in a timely and efficient manner.

The receivables of the Bondholders rank *pari passu* among themselves and at least *pari passu* with the unsecured obligations of the Issuer, save for provisions which are preferred by mandatory provisions of law and except for certain liabilities owed to the Security Agent and certain enforcement costs of the secured creditors, which have priority to the enforcement proceeds of the Pledge Agreement and the Guarantee. The Issuer cannot assure that the proceeds of any enforcement of the Pledge Agreement and/or the Guarantee would be sufficient to satisfy all amounts then owed to the Bondholders. In addition, any enforcement may be delayed due to any inability to sell the security assets in a timely and efficient manner.

- 2. The enforcement of the Guarantee and the Pledge Agreement will be subject to the procedures and limitations set out in the Terms and Conditions and the Guarantee and the Pledge Agreement may be unenforceable or enforcement of the security may be delayed**

Even when the Guarantee and the Pledge Agreement are enforceable, the enforcement is subject to the procedures and limitations agreed in the Terms and Conditions. Any enforcement of security may be delayed due to the provisions of the Terms and Conditions.

The Finnish Act on Recovery to a Bankruptcy Estate (758/1991, as amended) (the “**Recovery Act**”) provides that a transaction can be cancelled (avoided) if (a) it was entered into by a company during a specified period prior to the filing of bankruptcy, an application for company reorganisation, or an order by a court granting an attachment of assets, and (b) the grounds for recovery set out in the Recovery Act are fulfilled. The mandatory Finnish bankruptcy laws may therefore require under specific circumstances that the collateral provided to secure the Bonds may be recovered by the bankruptcy estate of the Issuer.

If the Issuer was unable to make repayment under the Bonds and a court was to render a judgment that the security granted in respect of the Bonds was unenforceable, the Bondholders may find it difficult or impossible to recover the amounts owed to them under the Bonds. Therefore, there may be a risk that the Transaction Security granted in respect of the Bonds might be ineffective in respect of any of the Issuer’s obligations under the Bonds in the event the Issuer becomes insolvent.

In addition, any enforcement may be delayed due to any inability to sell the security assets in a timely and efficient manner. Finally, under Finnish law, the enforcement of a business mortgage requires an enforceable title for execution and such enforcement can be effected only by the Finnish execution authorities.

3. The rights of the Bondholders depend on the actions of the Security Agent

The Bondholders will be represented by the Security Agent (as defined in the Terms and Conditions) 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 Guarantee and the Pledge Agreement.

The Security Agent shall take enforcement instructions from the Bondholders. However, it is possible that the Security Agent will act in a manner that is not preferable to the Bondholders.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated in, and form part of, the Prospectus:

- the consolidated financial statements of the Issuer for the years ending 31 December 2017 and 31 December 2018 and the half year results of the Issuer for the six months ending 30 June 2019;
- the annual financial statements of the Guarantor for the years ending 31 December 2017 and 31 December 2018; and
- the Green Bond Framework.

The documents incorporated by reference can be obtained from the registered office of the Issuer being Kankurinkatu 4-6 05800 Hyvinkää, Finland, and at the specified office of the Paying Agent being 69, route d'Esch, L-2953 Luxembourg, Grand Duchy of Luxembourg.

USE OF PROCEEDS

The net proceeds of the Bonds will be used by the Issuer for general business purposes, including the financing of eligible capital expenditures (“**CAPEX**”) and research and development (“**R&D**”) expenditures related to the following categories of expenditures:

- (i) the enhancement of the environmental credentials of Reka’s portfolios of products; and
- (ii) the improvement of Reka’s environmental performance in respect to its production facilities and processes,

as further set out in the Neo Industrial Green Bond Framework incorporated by reference in the Prospectus (the “**Eligibility Expenditures**”) and available on the following website: <https://www.neoindustrial.fi/en/financial-information> (the “**Green Bond Framework**”).

Management of Proceeds

The issuer will track the use of the net proceeds of the Bonds via its internal accounting systems and will monitor the allocation.

Reporting on Use of Proceeds

The Issuer will provide a green progress report (the “**Annual Progress Report**”) on an annual basis on the allocation of the proceeds of the Bonds to eligible expenditures at category level.

To the extent possible, the Issuer will provide qualitative descriptions of key projects/expenditures as well as information on the amounts invested/distributed, including the breakdown of expenditures by type of expenditures (CAPEX, R&D) and the balance of unallocated proceeds.

External Review

Pre-Issuance

The Green Bond Framework has been reviewed by Sustainalytics who has issued a second-party opinion confirming the validity of the Green Bond Framework (the “**Second-party Opinion**”).

Post-Issuance

The Issuer will engage an appropriate external auditor, which responsibility will be to verify, on an annual basis and until the proceeds of the Bonds are fully allocated, the allocation of proceeds to Eligible Expenditures as well as the remaining balance of unallocated proceeds (the “**External Audit**”).

The Green Bond Framework, the Second-party Opinion, as well as the External Audit on the allocation of proceeds will be made available on the Issuer’s website under the section “Financial Information” at the following link: <https://www.neoindustrial.fi/en/financial-information>

GENERAL INFORMATION ON THE ISSUER

Unless stated otherwise, all information contained in this section stems from internal enquiries made by the Issuer.

Legal and commercial name, registered office, financial year, period of existence, share capital

The Issuer was incorporated in Finland as a public limited company with unlimited duration on 23 December 1987 under the business name of Neo Industrial Oyj in Finnish, Neo Industrial Abp in Swedish and Neo Industrial Plc in English, has its registered office at Kankurinkatu 4-6 05800 Hyvinkää, Finland and is registered with the Finnish Trade Register under number 0693494-7. The Issuer was established for the purpose of, amongst others, conducting industrial or other business and research and development activities relating to semi-manufactured products and manufactured products either directly or through its subsidiaries and affiliates.

As at the date of this Prospectus, the Issuer's share capital amounts to EUR 24,081,440.00 represented by 6,020,360 shares divided into (i) series A shares of hundred thirty-nine thousand six hundred (139,600) shares (the "**Series A**") and (ii) series B shares of five million eight hundred eighty-eight thousand and seventy-six (5,880,760) shares (the "**Series B**"), all of which are in registered form. Each Series A share is entitled to twenty (20) votes and each Series B share is entitled one (1) vote at the general meeting of shareholders of the Issuer.

The Series B shares are listed on the NASDAQ OMX Helsinki, Small Cap / Finance.

The Issuer is managed by a board of directors (the "**Board**") comprising a minimum of three (3) and a maximum of seven (7) ordinary members. The general meeting of shareholders of the Issuer can elect a maximum of three (3) deputy members of the Board.

Business purpose

Pursuant to article 3 § of its articles of association, the Issuer has the following corporate objects:

"The company's line of business is to conduct industrial or other business and research and development activities relating to semi-manufactured products and manufactured products either directly or through its subsidiaries and affiliates. The business of the company or companies owned by it can be conducted both in and outside Finland. The company may also conduct its business under its auxiliary business names. The company's line of business also includes holding and controlling shares, participations, securities and other assets, supervising the operations of its subsidiaries and affiliates and other operating units, centrally manage the provision of the group's operational, strategic, administrative, financing, risk management, financial administration and other services to the subsidiaries and affiliates and to plan and implement financially appropriate new investments. The company may also engage in financing activities and acquire, hold, control and trade in real estate and securities and other financial instruments."

Shareholding structure

As at the date of this Prospectus, Reka Oy holds 50.76% of the shares of the Issuer having value of EUR 6.26 millions and is the major shareholder of the Issuer. The rest of the share capital of the Issuer is diluted and held by more than 11,000 other shareholders.

Patents and licenses

Other than disclosed in this Prospectus, the Issuer is not dependent on patents or licences, industrial, commercial or financing contracts or new manufacturing processes.

Assets of the Issuer

The main assets of the Issuer are the followings:

- real estate properties in Keuruu, Finland;
- 100% of the shares of Reka Cables Ltd; and
- 22.94 % of the shares of Nestor Cables Ltd.

Capitalization

The following table sets out the capitalization of the Issuer as at 30 September 2019.

| | Major shareholders | Number of A-Shares | Number of B – Shares | Of shares, % | Change pcs | Change % | Of votes, % | Market value (EUR) |
|----|----------------------------------|--------------------|----------------------|--------------|------------|----------|-------------|--------------------|
| 1. | Reka Oy | 139,400 | 2,916,387 | 50.76 | 0 | 0.00 | 65.77 | 6.26 mn |
| 2. | Neo Industrial Oyj | N/A | 68,610 | 1.14 | 0 | 0.00 | 0.79 | 140.65 k |
| 3. | Sinkko Erkki | N/A | 50,000 | 0.83 | 0 | 0.00 | 0.58 | 102.50 k |
| 4. | Haloan Oy | N/A | 32,500 | 0.54 | 0 | 0.00 | 0.38 | 66.63 k |
| 5 | Vehviläinen Teemu Olavi | N/A | 31,100 | 0.52 | 0 | 0.00 | 0.36 | 63.76 k |
| 6 | Lainema Matti Number | N/A | 31,000 | 0.52 | 0 | 0.00 | 0.36 | 63.55 k |
| 7 | Rentto Markku Edvard | N/A | 22,588 | 0.38 | 0 | 0.00 | 0.26 | 46.31 k |
| 8 | Kakela Aulis Ensio | N/A | 22,450 | 0.37 | 0 | 0.00 | 0.26 | 46.02 k |
| 9 | Therman Markus | N/A | 22,439 | 0.37 | 0 | 0.00 | 0.26 | 46.00 k |
| 10 | Tikkanen Vesa | N/A | 21,101 | 0.35 | 0 | 0.00 | 0.24 | 43.26 k |
| 11 | Syrjä Jukka | N/A | 20,150 | 0.34 | 20 | 0.10 | 0.23 | 41.31 k |
| 12 | Skandinaviska Enskilda Banken AB | N/A | 18,715 | 0.31 | -3,116 | -14.27 | 0.22 | 38.37 k |
| 13 | Ryhanen Sanna Elina | N/A | 18,430 | 0.31 | 0 | 0.00 | 0.21 | 37.78 k |
| 14 | Denali Oy | N/A | 16,798 | 0.28 | 0 | 0.00 | 0.19 | 34.44 k |
| 15 | Blomberg Harri | N/A | 16,000 | 0.27 | 0 | 0.00 | 0.18 | 32.80 k |
| 16 | Helino Timo Kalervo | N/A | 15,000 | 0.25 | 1,000 | 7.14 | 0.17 | 30.75 k |
| 17 | Viljanen Mikko Tapani | N/A | 14,911 | 0.25 | 0 | 0.00 | 0.17 | 30.57 k |
| 18 | Lahdenperä Matti Kustaa | N/A | 14,700 | 0.24 | 0 | 0.00 | 0.17 | 30.14 k |
| 19 | Noteva Veijo Juhani | N/A | 13,000 | 0.22 | 1,000 | 8.33 | 0.15 | 26.65 k |
| 20 | Riihonen Jouko Antero | N/A | 12,861 | 0.21 | 0 | 0.00 | 0.15 | 26.37 k |
| 21 | Rantanplan Oy | N/A | 12,000 | 0.20 | 0 | 0.00 | 0.14 | 24.60 k |
| 22 | Heiskanen Seppo Kalervo | N/A | 11,111 | 0.19 | 0 | 0.00 | 0.13 | 22.78 k |
| 23 | Lehti Ismo Antero | N/A | 11,069 | 0.18 | -3,854- | -25.83- | 0.13- | 22.69 k |
| 24 | Markkinmäen Sähköasennus Oy | N/A | 10,579 | 0.18 | 0 | 0.00 | 0.12 | 21.69 k |
| 25 | Mäkelä Mika Augusti | N/A | 10,342 | 0.17 | 0 | 0.00 | 0.12 | 21.20 k |
| 26 | Ea Capital Oy | N/A | 10,000 | 0.17 | 0 | 0.00 | 0.12 | 20.50 k |

| | | | | | | | | |
|----|---|----------------|------------------|---------------|---------------|--------------|--------------|-----------------|
| 27 | Nordman Ole | N/A | 10,000 | 0.17 | 0 | 0.00 | 0.12 | 20.50 k |
| 28 | Tanskanen Paavo Sauli Sakari | N/A | 10,000 | 0.17 | 0 | 0.00 | 0.12 | 20.50 k |
| 29 | Versowood Group Oy | N/A | 10,000 | 0.17 | 0 | 0.00 | 0.12 | 20.50 k |
| 30 | Hoppu Maija Katriina Eskontytär | N/A | 8,700 | 0.15 | 0 | 0.00 | 0.10 | 17.84 k |
| 31 | Eräkare Jorma Tapani | N/A | 8,600 | 0.14 | 0 | 0.00 | 0.10 | 17.63 k |
| 32 | Svenska Handelsbanken AB (publ), Branch Operation in Finland | N/A | 8,100 | 0.14 | 0 | 0.00 | 0.09 | 16.61 k |
| 33 | Länsi-Suomen Verkkopalvelut Oy | N/A | 8,000 | 0.13 | 0 | 0.00 | 0.09 | 16.40 k |
| 34 | Jason Partners AB Oy | N/A | 7,964 | 0.13 | 0 | 0.00 | 0.09 | 16.33 k |
| 35 | Hirvikallio Matti | N/A | 7,900 | 0.13 | 0 | 0.00 | 0.09 | 16.20 k |
| 36 | Tahila Jari Tapio | N/A | 7,800 | 0.13 | 0 | 0.00 | 0.09 | 15.99 k |
| 37 | Roivainen Eino Juhani | N/A | 7,650 | 0.13 | 0 | 0.00 | 0.09 | 15.68 k |
| 38 | Metsänhoitoyhdistys Pohjois-Pirkka ry | N/A | 7,630 | 0.13 | 0 | 0.00 | 0.09 | 15.64 k |
| 39 | Nelimarkka-Seeck Riitta | N/A | 7,500 | 0.13 | 0 | 0.00 | 0.09 | 15.38 k |
| 40 | Sohlström Ralf Juhani | N/A | 7,500 | 0.13 | 0 | 0.00 | 0.09 | 15.38 k |
| 41 | Koskinen Jukka Allan | N/A | 7,432 | 0.12 | 0 | 0.00 | 0.09 | 15.24 k |
| 42 | Seneca Oy | N/A | 7,200 | 0.12 | 0 | 0.00 | 0.08 | 14.76 k |
| 43 | Aimo Antero Kalervo Mauri | N/A | 7,129 | 0.12 | 0 | 0.00 | 0.08 | 14.61 k |
| 44 | Mäenpää Pentti Paavali | N/A | 7,070 | 0.12 | 0 | 0.00 | 0.08 | 14.49 k |
| 45 | Sundqvist Jan-Olof | N/A | 6,895 | 0.12 | 0 | 0.00 | 0.08 | 14.14 k |
| 46 | Sumari Olli Tapio | N/A | 6,700 | 0.11 | 0 | 0.00 | 0.08 | 13.74 k |
| 47 | Viljanen Taija Irene | N/A | 6,700 | 0.11 | 0 | 0.00 | 0.08 | 13.74 k |
| 48 | Maataloustuottajain Lempäälän yhdistys | N/A | 6,600 | 0.11 | 0 | 0.00 | 0.08 | 13.53 k |
| 49 | Halonen Ritva Elina | N/A | 6,549 | 0.11 | 0 | 0.00 | 0.08 | 13.43 k |
| 50 | Kivista Ilari Uolevi | N/A | 6,485 | 0.11 | 0 | 0.00 | 0.08 | 13.29 k |
| | Total 50 shares | 139,400 | 3,629,945 | 62.61 | -4,950 | -0.13 | 74.00 | 7.73 mn |
| | 100 largest total | 139,400 | 3,868,731 | 66.58 | -8,195 | -0.21 | 76.75 | 8.22 mn |
| | Nominee registered total | 0 | 30,574 | 0.51 | 643 | 2.15 | 0.00 | 62.68 k |
| | Total number of shares | 139,600 | 5,880,760 | 100.00 | 0 | 0.00 | 0.00 | 12.34 mn |

Indebtedness

As of 30 September 2019, the Issuer had interest bearing loans amounting to EUR 3.3 million in total, of which EUR 1.0 million was short-term.

Management

The company has a board of directors (the “**Board**”) comprising a minimum of three (3) and a maximum of seven (7) ordinary members. The general meeting of shareholders can elect a

maximum of three (3) deputy members of the Board. The term of office of a Board member starts at the close of the general meeting that elected them and expires until the close of the next annual general meeting. The general meeting elects the chair and vice chair of the Board. Minutes are prepared on Board meetings and reviewed and signed by all Board members.

Corporate Governance Statement

As of the date of this Prospectus, the Issuer is subject to the corporate governance statement which has been prepared in accordance with recommendation 51 of the Finnish Corporate Governance Code available at the website of the Issuer at www.neoindustrial.fi. The Finnish Corporate Governance Code is available at www.cgfinland.fi.

Managing Director

The Issuer shall have a managing director (the “**Managing Director**”) appointed by the Board. The Managing Director is responsible for the day-to-day management of the Issuer according to instructions and orders issued by the Board. The Managing Director must ensure that the Issuer's bookkeeping complies with the law and that financial matters are handled in a reliable manner. The Managing Director is in charge of the Issuer's investment activities.

As of the date of this Prospectus, the management team of the Issuer consists of CEO Jukka Poutanen and CFO Sari Tulander.

The Members of the Board

As of the date of this Prospectus, the members of the Board of the Issuer are as follows:

- **Markku E. Rentto**, with professional address at Kankurinkatu 4-6, FI-05800 Hyvinkää, Finland, as chairman
- **Jukka Koskinen**, with professional address at Kankurinkatu 4-6 05800 Hyvinkää, Finland, as deputy chairman;
- **Marjo Matikainen-Kallström**, with professional address at Kankurinkatu 4-6 05800 Hyvinkää, Finland, as member of the Board; and
- **Ari Järvelä**, with professional address at Kankurinkatu 4-6 05800 Hyvinkää, Finland, as member of the Board.

Representation of the Issuer

The chairman of the Board and the Managing Director, each alone, and Board members, two together, have the right to represent the company. The Board may issue a specified person procuration rights or the right to represent the company.

Audit Committee

The Issuer established an internal audit committee

The audit committee is responsible for monitoring the Issuer's financial situation and financial reporting. It is also responsible for evaluating internal control and risk management as well as compliance with legislation and regulations. Moreover, the committee communicates with the auditor of the Issuer and reviews the auditor's reports. The audit committee reports to the Board. The members of the Issuer's audit committee are Marjo Matikainen-Kallström and Ari Järvelä.

Financial Statements

The financial year of the Issuer begins on the first of January of each year and shall terminate on the thirty-first December of each year.

Dividends

The annual general meeting of the shareholders of the Issuer held on 28 March 2019 decided that a dividend of EUR 0.02 per share be paid for the 2018 financial year.

A dividend of EUR 0.08 per share was paid for the 2017 financial year in two installments.

Independent Auditors

KPMG Oy Ab, Authorized Public Accountants incorporated under the laws of Finland, having its registered office at Töölönlahdenkatu 3 A, FI-00100 Helsinki, Finland and registered with the trade register under number 1805485-9 has been appointed by a resolution of the general meeting of the shareholders dated 28 March 2019 as the statutory auditor of the Issuer for a term that expires at the end of the general meeting of the shareholders of 2019.

KPMG Oy Ab, Authorized Public Accountants has no material interest in the Issuer.

Litigation statement about directors and officers

As of the date of this Prospectus, none of the members of the Board of the Issuer:

- has had any convictions in relation to fraudulent offences; nor
- has held an executive function in the form of a senior manager or a member of the administrative management or supervisory bodies, of any company, or a partner in any partnership, at the time of or preceding any bankruptcy, receivership or forced liquidation; nor
- has been subject to any official public incrimination and/or sanction by any statutory or regulatory authority (including any designated professional body) nor has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

Change of Control over the Group

We are not aware of any arrangements in existence as of the date of this Prospectus which could reasonably be expected to result in a change of control over the Group.

Significant/Material Change

There has been no material adverse change in the prospects of the Issuer since 31 December 2018, other than the profit warning issued by the Issuer on 16 October 2019 and published on the website of the Issuer.

Except as disclosed herein, there are not any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material adverse effect on the Issuer's prospects or financial conditions since the publication of its last business review as of 30 September 2019, other than the profit warning issued by the Issuer on 16 October 2019 and published on the website of the Issuer.

GENERAL INFORMATION ON THE GROUP

Unless stated otherwise, all information contained in this section stems from internal enquiries made by the Issuer.

General

The Group has been engaged in the industrial or other business and research and development activities relating to cable industry.

The Group owns growth-driven, unlisted companies operating in industrial business. The Group is a long-term partner of its holding companies. It brings added value to the companies through its strong industry expertise together with active and responsible ownership. The Group is committed to develop its owned companies in the long-run.

Neo Industrial builds a sustainable future by developing and renewing modern society's networks.

The Group currently operates in the cable industry. Its growth strategy focuses on improving profitability and competitiveness of its current business, and to strengthen its market position - especially in the Nordic countries. The Group also aim at successful acquisitions alongside the current cable industry.

The goal of the Group is to be a conglomerate in the future, that creates new opportunities for a smart and energy-efficient society.

Significant/Material Change

There has been no material adverse change in the prospects of the Group since 31 December 2018; other than the profit warning issued by the Issuer on 16 October 2019 and published on the website of the Issuer.

Except as disclosed herein, there are not any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material adverse effect on the Group's prospects or financial conditions since 30 September 2019; other than the profit warning issued by the Issuer on 16 October 2019 and published on the website of the Issuer.

GENERAL INFORMATION OF THE GUARANTOR

General Information about the Guarantor

The Guarantor was incorporated in Finland as a limited company with unlimited duration on 16 December 1997 under the business name of Reka Kaapeli Oy in Finnish and Reka Cables Ltd in English, has its registered office at Varastokatu 8 05800 Hyvinkää, Finland and is registered with the Finnish Trade Register under number 1110846-3. The Guarantor was established for the purpose of, amongst others, developing, manufacturing and selling cables.

Business purpose

Pursuant to article 2 § of its articles of association, the Guarantor has the following corporate objects:

“The business of the company is the production and sale of products pertaining to the transfer and transportation of electricity, gas, liquids and light, production, sales and leasing of rubber, plastic, leather, metal and electronic products.

The company may own real estate and take care of the organization, funding, marketing, purchases and other business-related activities of the company and aforementioned companies.

The company may own shares and securities.”

Business overview

The Guarantor produce, sell and develop state-of-the-art, safe cables, made from high-quality materials and in compliance with strictest cable standards. The product range includes data transfer cables, installation wires, control and instrumentation cables, power cables as well as medium and high-voltage cables for the needs of industry, construction, electricity distribution and data transfer. The product range extends from 75V data transfer cables to 170kV high-voltage cables. Nordic countries is the main market area.

Shareholding structure

The Guarantor's share capital amounts to EUR 1,681,879,26 and is represented by 10 000 pcs shares having a pair value of EUR 168,187,926 each, all of which are held by the Issuer.

Patents and licenses

Other than disclosed in this Prospectus, the Guarantor is not dependent on patents or licences, industrial, commercial or financing contracts or new manufacturing processes.

Assets of the Guarantor

The main assets of the Guarantor are machinery, properties and inventory relating to the cable production as well as participations in subsidiaries.

Capitalization

As at the date of this Prospectus 100% of the share capital of the Guarantor amounting to EUR 1,681,879,26 is held by the Issuer.

Indebtedness

As of 30 September 2019, the Guarantor had interest bearing loans EUR 10.2 million of which EUR 4.5 million was short-term. Short-term interest bearing loans include credit limit (EUR 3.0 million) and sales receivable factoring related funding (EUR 0.8 million).

Administration, Management and Supervisory Bodies

The Guarantor has a board of directors (the “**Board**”) comprising a minimum of three (3) and a maximum of seven (7) ordinary members. The term of office of a Board member starts at the close of the general meeting that elected them and expires until the close of the next annual general meeting. The Board elects the chair of the Board. Minutes are prepared on Board meetings and reviewed and signed by all Board members.

The Guarantor has no supervisory body.

Key Persons

As at the date of this Prospectus, the management board of the Guarantor is composed as follows:

- Jukka Koskinen, with professional address at Kankurinkatu 4-6, FI-05800 Hyvinkää, Finland, as chairman;
- Markku E. Rentto, with professional address at Kankurinkatu 4-6, FI-05800 Hyvinkää, Finland, as member of the Board;
- Sari Tulander, with professional address at Kankurinkatu 4-6, FI-05800 Hyvinkää, Finland, as member of the Board; and
- Riku Soininen, with professional address at Agantie 3, FI-11310 Riihimäki, Finland, as member of the Board.

Representation of the Guarantor

The chairman of the Board and the Managing Director, each alone, and two Board members acting together, have the right to represent the Guarantor. The Board may issue a specified person procuration rights or the right to represent the Guarantor.

Financial Statements

The financial year of the Guarantor begins on the first of January of each year and shall terminate on the thirty-first December of each year.

Dividends

The Guarantor has not paid dividends in the recent years.

Independent Auditors

KPMG Oy Ab, Authorized Public Accountants incorporated under the laws of Finland, having its registered office at Töölönlahdenkatu 3 A, FI-00100 Helsinki, Finland and registered with the trade register under number 1805485-9 has been appointed by a resolution of the general meeting of the shareholders dated 6 March 2019 as the statutory auditor of the Guarantor for a term that expires at the end of the general meeting of the shareholders of 2019.

KPMG Ltd, Authorized Public Accountants has no material interest in the Guarantor.

Litigation statement about directors and officers

As of the date of this Prospectus, none of the members of the Board of the Guarantor:

- has had any convictions in relation to fraudulent offences; nor

- has held an executive function in the form of a senior manager or a member of the administrative management or supervisory bodies, of any company, or a partner in any partnership, at the time of or preceding any bankruptcy, receivership or forced liquidation; nor
- has been subject to any official public incrimination and/or sanction by any statutory or regulatory authority (including any designated professional body) nor has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

Significant/Material Change

There has been no material adverse change in the prospects of the Guarantor since 31 December 2018.

Except as disclosed herein, there are not any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material adverse effect on the Guarantor's prospects or financial conditions since 30 September 2019.

SELECTED FINANCIAL STATEMENTS OF THE GROUP

As at the date of this Prospectus, the parent company of the Group is the Issuer.

The table below present the key figures of the Issuer from the last four years.

| KEY FIGURES (IFRS) | 6M 2019 | 2018 | 2017 | 2016 | 2015 |
|--------------------------------------|---------|-------|-------|-------|-------|
| Turnover, MEUR | 49.4 | 103.8 | 110.9 | 101.0 | 84.6 |
| Operating profit, MEUR | 0.2 | 1.0 | 5.1 | 5.9 | -2.0 |
| Operating results, % of turnover | 0.0 | 1.0 | 4.6 | 5.8 | -2.4 |
| Result of the financial period, MEUR | -0.6 | -0.5 | 3.0 | 3.3 | -3.7 |
| Return of investment (ROI), % | 2.1 | 8.4 | 25.4 | 22.6 | -6.0 |
| IAS19 corrected Equity ratio, % | 19.1 | 25.5 | 30.4 | 22.0 | 12.8 |
| Gearing, % | 166.0 | 104.4 | 61.2 | 119.8 | 401.9 |
| Company equity per share, EUR | 0.98 | 1.36 | 1.79 | 1.28 | 0.98 |
| Earnings per share, EUR | -0.10 | -0.09 | 0.51 | 0.55 | -0.62 |

TERMS AND CONDITIONS OF THE BONDS

1. DEFINITIONS AND CONSTRUCTION

1.1 Definitions

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

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

“**Additional Amounts**” means any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of any Relevant Taxing Jurisdiction on any payment by the Guarantor of principal or interest or any other payment in relation to the Bonds under the Finance Documents.

“**Affiliate**” means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person and/or any Person that is related in a straight line of descent with such specified Person or a brother or a sister of such specified Person (each a “**Related Person**”) and/or any Person, directly or indirectly, controlled by such Related 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.

“**Agent**” means the Holders’ agent under these Terms and Conditions and, if relevant, the other Finance Documents, from time to time; initially Greenmarck Restructuring Solutions GmbH, established under the laws of Germany and registered with the lower court of Munich, HRB 187052, with address in Widenmayerstraße 16, 80538 Munich, Germany.

“**Agent Agreement**” means the fee agreement entered into on or about the Issue Date between the Issuer and the Agent, or any replacement agent agreement entered into after the Issue Date between the Issuer and an Agent.

“**Bonds**” has the meaning set forth in Condition 2.1 (*Principal Amount, Currency and Denomination*).

“**Bond Issue**” means the issuance of the Bonds on the Issue Date.

“**Business Day**” means any day on which banking institutions are open for business in Hyvinkää and Luxembourg, and payments in Euro may be settled via the Trans-European Automated Real-time Gross settlement Express Transfer system 2 (TARGET 2).

“**Business Day Convention**” means the first following day that is a Business Day.

“**Calculation Agent**” has the meaning set forth in Condition 14.2 (*Calculation Agent*).

“**Call Option Amount**” means:

- (a) the Make Whole Amount if the Call Option is exercised before the First Call Date;
- (b) 102.5per cent. of the Nominal Amount if the call option is exercised after the First Call Date up to 6 December 2022 (the “**Second Call Date**”);

- (c) 101.25 per cent. of the Nominal Amount if the call option is exercised after the Second Call Date up to (but excluding) the Maturity Date.

“Capital Lease Obligations” means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet prepared in accordance with the Accounting Principles, and the scheduled maturity date thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

“Capital Stock” means:

- (a) in the case of a corporation, corporate stock, including shares (*actions*) in case of a Luxembourg company;
- (b) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;
- (c) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and
- (d) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

“Cash and Cash Equivalents” means cash and cash equivalents in accordance with the Accounting Principles.

“Change in Tax Law” means (a) any change in, or amendment to, the law or treaties (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction affecting taxation or (b) any change in, or amendment to, or the introduction of, an official position regarding the application, administration or interpretation of such laws, treaties, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction) of a Relevant Taxing Jurisdiction.

“Change of Control Event” means (a) the direct or indirect sale or other disposal, in one or a series of related transactions, of all or substantially all of the properties or assets of the Guarantor taken as a whole to any Person other than Issuer or the Guarantor and (b) the occurrence of an event or series of events whereby one or more Persons, not being a Current Shareholder or a Group Company, acting together, acquire control over the Issuer and where **“control”** means (i) acquiring or controlling, directly or indirectly, more than 50.00 per cent. of the shares or voting rights in the Issuer or (ii) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer or the Guarantor that such Current Shareholder has to appoint directors of the Issuer or the Guarantor shall be disregarded).

“Clearing System” has the meaning set forth in Condition 2.3 (*Global Bond and Custody*).

“Code” has the meaning set forth in Condition 8.1 (*Withholding Tax*).

“Companies Law” has the meaning set forth in Condition 16.1 (*General*).

“Condition” means the Terms and Conditions and a numbered **“Condition”** shall be construed accordingly.

“Corresponding Debt” has the meaning set forth in Condition 10.4 (*Parallel Debt*).

“CSD” means the Issuer’s central securities depository in respect of the Bonds from time to time; initially Clearstream Banking S.A., Luxembourg.

“Current Shareholders” means the direct and indirect shareholders and beneficial owners of the Issuer as of the Issue Date and their Affiliates.

“Due Date” has the meaning set forth in Condition 7.3 (*Payment Day/Due Date*).

“EBITDA” means, in respect of the Relevant Period, the consolidated net profit of the Group from ordinary activities according to the latest Financial Report:

- (a) before deducting any amount of tax on profits, gains or income paid or payable by any Group Company;
- (b) before deducting any net interest expenses;
- (c) before taking into account any exceptional items which are not in line with the ordinary course of business;
- (d) before taking into account any Transaction Costs;
- (e) not including any accrued interest owing to any Group Company;
- (f) before taking into account any unrealized gains or losses on any derivative instrument (other than any derivative instruments which is accounted for on a hedge account basis);
- (g) before taking into account any gains or losses on any foreign exchange gains or losses;
- (h) 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;
- (i) 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;
- (j) after adding back or deducting, as the case may be, the Group’s share of the profits or losses of entities which are not part of the Group; and
- (k) after adding back any amount attributable to the amortization, depreciation or impairment of assets of Group Companies.

“Equity Ratio” means, in respect of the Relevant Period, the aggregate of (i) any amount contributed by any shareholder increased by any retained earnings generated by the Issuer in prior financial years including any earnings generated by the Issuer for the Relevant Period and (ii) any non-controlling interests of the Issuer in other companies divided by the total balance sheet of the Issuer for the Relevant Period less any advances received by the Issuer from customers and multiplied by 100 (one hundred), but each time not taking into account any employee benefits accounted for by the Issuer in accordance with IAS 19.

“Economic Sanctions Law” means any economic or financial sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. State

Department, any other authority, department or agency of the U.S. government, the United Nations, the European Union or any member state thereof.

“Equity Cure” has the meaning set forth in Condition 12.3 (*Covenant Cure*).

“Equity Interest” means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

“EUR” means the currency used by the institutions of the European Union and is the official currency of the Eurozone.

“Event of Default” means an event, circumstance or situation specified in Condition 13.1.

“Existing Security” means all Security provided by the Issuer and the Guarantor in existence on the Issue Date or over assets acquired by the Issuer or the Guarantor as a consequence of a merger in accordance with Condition 11.4 (*Mergers*).

“Extraordinary Resolution” has the meaning set forth in Condition 16.3 (*Quorum and majority*).

“FATCA” has the meaning set forth in Condition 8.1 (*Withholding Tax*).

“Final Redemption Date” means 6 December 2024.

“Finance Documents” means:

- (a) these Terms and Conditions;
- (b) the Guarantee;
- (c) the Pledge Agreement
- (d) the Security Agent Agreement;
- (e) the Agent Agreement; and
- (f) any other document designated by the Issuer and the Agent as a Finance Document.

“Financial Indebtedness” means any indebtedness in respect of:

- (a) monies borrowed or raised, including Market Loans, Shareholder Loans, and shareholders’ loans granted on arm lengths terms and conditions;
- (b) any Capital Lease Obligation (for the avoidance of doubt, any leases treated as operating leases under the Accounting Principles as applicable on the Issue Date shall not, regardless of any subsequent changes or amendments of the Accounting Principles, be considered as Capital Lease Obligation);
- (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 and treated as a borrowing under the Accounting Principles;

- (e) 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
- (f) (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in the above items (a)–(f).

“Financial Report” means the annual audited consolidated financial statements of the Issuer and the semi-annual interim unaudited consolidated reports of the Issuer, which shall be prepared and made available according to Condition 11.7 (*Financial reporting and information*).

“First Call Date” means 6 December 2021 or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention.

“German Government Bond Rate” means the yield to maturity at the time of computation of direct obligations of Germany, acting through the Federal German Finance Agency (Ger. *Bundesrepublik Deutschland – Finanzagentur GmbH*) with a constant maturity (such yield to be the weekly average yield as officially compiled and published in the most recent financial statistics that has become publicly available at least two (2) Business Days (but not more than five (5) Business Days) prior to the relevant Redemption Date (or, if such financial statistics are not so published or available, any publicly available source of similar market data selected by the Issuer in good faith)) most nearly equal to the period from the relevant Redemption Date to the First Call Date; provided, however, that if the period from the relevant Redemption Date to the First Call Date is not equal to the constant maturity of a direct obligation of Germany, acting through the Federal German Finance Agency for which a weekly average yield is given, the German Government Bond Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth (1/12) of a year) from the weekly average yields of direct obligations of Germany, acting through the Federal German Finance Agency, for which such yields are given, except that if the period from such Redemption Date to the First Call Date is less than one year, the weekly average yield on actually traded direct obligations of Germany, acting through the Federal German Finance Agency, adjusted to a constant maturity of one year shall be used.

“Global Bond” has the meaning set forth in Condition 2.3 (*Global Bond and Custody*).

“Governmental Authority” means any nation, sovereign or government, any state, province, territory or other political subdivision thereof, and any entity or authority exercising executive, legislative, judicial, regulatory, self-regulatory or administrative functions of or pertaining to government, including a central bank or stock exchange.

“Group” means the Issuer and all of its Subsidiaries from time to time.

“Group Company” means the Issuer or any of its Subsidiaries.

“Guaranteed Obligations” means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Guarantor to the Secured Creditors (or any of them) under each Finance Document, together with all costs, charges and expenses incurred by any Secured Creditor in connection with the protection, preservation or enforcement of its respective rights under the Finance Documents, or any other document evidencing such liabilities.

“Guarantee” has the meaning set forth in Condition 4 (*Guarantee*).

“Guarantor” means Reka Cables Ltd.

“Holder” means any holder of the Bonds, including, for the avoidance of doubt, any person shown for the time being in the records of the relevant clearing systems as the holder of a particular nominal amount of Bonds, collectively **“Holders”**.

“Holders’ Meeting” means a bondholders’ meeting among the Holders held in accordance with Condition 16 (*Meeting of Holders*).

“Initial Nominal Amount” has the meaning set forth in Condition 2.1 (*Nominal Amount, Currency and Denomination*).

“Interest” means the interest on the Bonds calculated in accordance with Conditions 5.1 (*Interest Rate and Interest Payment Dates*) to 5.3 (*Day Count Fraction*).

“Interest Payment Date” means 6 December of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention (with the first Interest Payment Date on 6 December 2020 and the last Interest Payment Date being the Final Redemption Date).

“Interest Period” means each period beginning on (and including) the Issue Date or any Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date (or a shorter period if relevant) and, in respect of any Subsequent Bond, each period beginning on (and including) the Interest Payment Date falling immediately prior to its issuance and ending on (but excluding) the next succeeding Interest Payment Date (or a shorter period if relevant), in no case adjusted due to an application of the Business Day Convention.

“Interest Rate” means a fixed interest rate of 6.00% per cent per annum.

“Issue Date” means on or about 6 December 2019.

“Issuer” means Neo Industrial Plc, a public limited company incorporated and existing under the laws of Finland, having its registered address at Kankurinkatu 4-6 05800 Hyvinkää, Finland, and registered with the Finnish Trade Register under number 0693494-7.

“Luxembourg” means the Grand Duchy of Luxembourg and, when used in a geographical sense, means the territory of the Grand Duchy of Luxembourg.

“Make Whole Amount” means an amount equal to the sum of:

- (a) the present value on the relevant Record Date of 102.5 per cent. as if such payment originally should have taken place on the First Call Date; and
- (b) the present value on the relevant Record Date of the remaining Interest payments (excluding accrued but unpaid Interest up to the relevant Redemption Date) up to and including the First Call Date;

both calculated by using a discount rate of fifty (50) basis points over the comparable German Government Bond Rate (*i.e.* comparable to the remaining duration of the Bonds until the First Call Date).

“Market Loan” means any loan or other indebtedness where an entity issues commercial paper, certificates, convertibles, 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 trade on a Regulated Market or unregulated recognized 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 Issuer or the Guarantor’s ability to perform and comply with its payment and other undertakings under the Finance Documents or (c) the validity or enforceability of the Finance Documents.

“Net Debt” means at the level of the Issuer any interest bearing liabilities minus Cash and Cash Equivalents except any leasing obligations accounted for by the Issuer in accordance with IAS 16 and any employee benefits accounted for by the Issuer in accordance with IAS 19.

“Net Debt-to- EBITDA Ratio” means, in respect of the Relevant Period, the ratio of Net Debt to EBITDA.

“New Shareholder Injections” means the aggregate amount subscribed for by any person (other than a member of the Group) for ordinary shares in the Issuer or for subordinated loan notes or other subordinated debt instruments in the Issuer on terms acceptable to the Agent.

“Nominal Amount” means the Initial Nominal Amount, or, if the principal amount of the Bonds have been partially repaid, the reduced nominal amount of the Bonds.

“Ordinary Resolution” has the meaning set forth in Condition 16.3 (*Quorum and majority*).

“Payment Day” has the meaning set forth in Condition 7.3 (*Payment Day/Due Date*).

“Parallel Debt” has the meaning set forth in Condition 10.4(a) (*Parallel Debt*).

“Paying Agent” has the meaning set forth in Condition 14.1 (*Paying Agent*).

“Permitted Business” means any businesses, services or activities that are the same as, or reasonably related, ancillary or complementary to, any of the businesses, services or activities, in which the Issuer and its Subsidiaries are engaged on the Issue Date, and reasonable extensions, developments or expansions of such businesses, services or activities.

“Permitted Security” means any Security:

- (a) provided in accordance with the Finance Documents;
- (b) which is an Existing Security;
- (c) arising by operation of law or in the ordinary course of business (including collateral or retention of title arrangements in connection with but, for the avoidance of doubt, not including guarantees or security in respect of any monies borrowed or raised);
- (d) over assets or property of a Group Company that is not the Guarantor securing Financial Indebtedness of any Group Company that is not the Guarantor; and
- (e) over assets or property of the Issuer or any Group Company securing Financial Indebtedness or other obligations of the Issuer or such Group Company owing to the Issuer or a Group Company, or Security in favour of the Issuer or any Group Company.

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

“Pledge Agreement” means the pledge agreement to be entered into between the Security Agent and the Pledgor within thirty (30) calendar days following the Issue Date in respect of a business mortgage over the assets of the Pledgor, including inventory, granted in favour of the Security Agent acting for the Holders.

“Pledgor” means Reka Cables Ltd.

“Record Date” means the Business Day prior to (a) an Interest Payment Date, (b) a Redemption Date, (c) a date on which a payment to the Holders is to be made, (d) the date of a Holders’ Meeting or (e) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the German bond market.

“Redemption Date” means the date on which the relevant Bonds are to be redeemed or repurchased in accordance with Condition 6 (*Maturity, Redemption, Early Redemption, Repurchase*).

“Regulated Market” means any regulated market (as defined in Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments (recast)).

“Relevant Period” means each period of twelve (12) consecutive calendar months.

“Relevant Taxing Jurisdiction” means (a) Finland, Luxembourg or any political subdivision or Governmental Authority thereof or therein having power to tax, (b) any jurisdiction from or through which payment on any Bond or Guarantee is made by the Issuer, the Guarantor or their agents, or any political subdivision or Governmental Authority thereof or therein having the power to tax or (c) any other jurisdiction in which the Issuer or the Guarantor are incorporated or organized, resident for tax purposes.

“Sanctioned Person” means any person, organization or vessel:

- (a) designated on the OFAC list of Specially Designated Nationals and Blocked Persons or on the Consolidated List of Persons, Groups and Entities Subject to EU Financial Sanctions, or on the Consolidated List of Financial Sanctions Targets maintained by the UK Treasury, or on any list of blocked persons issued under the Economic Sanctions Law of any other country;
- (b) that is, or is part of, a government of a Sanctioned Territory;
- (c) owned or controlled by, or acting on behalf of, any of the foregoing; or
- (d) located within or operating from a Sanctioned Territory,

except that “Sanctioned Person” does not include a person listed on the US Sectoral Sanctions Identifications List or Annex III of Regulation (EU) No 833/2014 of 31 July 2014, or any successor thereto.

“Sanctioned Territory” means any country or other territory subject to a general export, import, financial or investment embargo under Economic Sanctions Law.

“Secured Creditors” means the Holders and the Security Agent.

“Secured Obligations” subject to any limitation under the Pledge Agreement, means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Guarantor towards the Secured Creditors under or in connection with these Terms and Conditions and the other Finance Documents.

“Security” has the meaning set forth in Condition 11.3 *(Negative pledge)*.

“Security Agent” means, initially Greenmarck Restructuring Solutions GmbH, established under the laws of Germany and registered with the lower court of Munich, HRB 187052, with address in Widenmayerstraße 16, 80538 Munich, Germany or subsequently any other security agent, appointed by the Secured Creditors from time to time pursuant, to the Security Agent Agreement, holding the Transaction Security on behalf of the Secured Creditors.

“Security Agent Agreement” means the security agent agreement entered into on or about the Issue Date between the Issuer and the Security Agent, or any replacement security agent agreement entered into after the Issue Date between the Issuer and the Security Agent.

“Shareholder Loan” means any loan raised by the Issuer from its current or previous direct or indirect shareholder, if such shareholder loan (a) according to its terms, is subordinated to the obligations of the Guarantor under the Finance Documents and (b) according to its terms have a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Redemption Date.

“Subsidiary” means, in relation to any person, any legal entity (whether incorporated or not), in respect of which such person, directly or indirectly, (a) owns shares or ownership rights representing more than 50.00 per cent. of the total number of votes held by the owners, (b) otherwise controls more than 50.00 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.

“Taxes” means all present and future taxes, levies, imposts, deductions, charges, duties and withholdings and any charges of a similar nature (including, without limitation, interest, penalties and other liabilities with respect thereto) that are imposed by any government or other taxing authority.

“Third Party” means any Person other than the Issuer or the Guarantor.

“Transaction Security” means the Security granted to secure the Secured Obligations pursuant to the Pledge Agreement.

“Ultimate Beneficial Owner” has the meaning ascribed to such term under the Luxembourg law of 12 November 2004 relating to the fight against money laundering and against financing of terrorism, as amended.

“Vote without Meeting” has the meaning set forth in Condition 16.13 *(Resolution in writing)*.

1.2 Construction

(a) Unless a contrary indication appears, any reference in these Terms and Conditions to:

- **“assets”** includes present and future properties, revenues and rights of every description;
- any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;

- a “**regulation**” includes any regulation, rule or official directive (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency or department;
 - an Event of Default is continuing if it has not been remedied or waived;
 - an “**enforcement**” of a Guarantee means making a demand for payment under a Guarantee;
 - a provision of law is a reference to that provision as amended or re-enacted; and
 - a time of day is a reference to Helsinki time.
- (b) When ascertaining whether a limit or threshold specified in EUR has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against EUR for the previous Business Day, as published by the German Central Bank (Ger: *Deutsche Bundesbank*) on its website (www.bundesbank.de). If no such rate is available, the most recently published rate shall be used instead.
- (c) No delay or omission of the Agent or of any Holder to exercise any right or remedy under these Terms and Conditions shall impair or operate as a waiver of any such right or remedy.

2. NOMINAL AMOUNT, FORM, GLOBAL BOND, TITLE

2.1 Nominal Amount, Currency and Denomination

This issue of the Issuer, in the aggregate amount of EUR 10,000,000.00 (in words: ten million Euros (the “**Issuer Currency**”)) is divided into bonds (the “**Bonds**”) payable to the bearer and ranking *pari passu* among themselves in the denomination of EUR 100,000.00 (the “**Initial Nominal Amount**”) each. Trading of the Bonds in the secondary market is permitted for the Initial Nominal Amount.

2.2 Form

The Bonds are being issued in bearer form.

2.3 Global Bond and Custody

The Bonds will be represented by a global bond (the “**Global Bond**”) deposited with, or on behalf of, a common depository for the accounts of Clearstream Banking S.A., Luxembourg (“**Clearstream, Luxembourg**”), and Euroclear Bank S.A/N.V., Brussels (“**Euroclear**”), as operator of the Euroclear system. The Global Bond will be deposited with Clearstream, Luxembourg, business address 42, Av. J.F. Kennedy, L-1855 Luxembourg, together with any successor in such capacity (the “**Clearing System**”) until all obligations of the Issuer under the Bonds have been satisfied.

The Global Bond will only be exchangeable for definitive Bonds if either Clearstream, Luxembourg or Euroclear is closed for business for a continuous period of fourteen (14) days (other than by reason of holiday, statutory or otherwise) or announces an intention to permanently cease business or does in fact do so (other than in the case of a merger or consolidation of Clearstream, Luxembourg and Euroclear).

2.4 Transfer and Title

A transfer of Bonds will be effected without charge by or on behalf of the Issuer, but upon payment by the relevant Holder of any tax or other governmental charges which may be imposed in relation to it. For the avoidance of doubt, any depositary bank used by a Holder for the safe custody of the Bonds (including without limitation the Clearing System) may charge fees for a transfer of the Bonds.

3. STATUS OF THE BONDS

The Bonds constitute direct, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank *pari passu* with all general, direct, unconditional, unsubordinated and unsecured obligations of the Issuer and without any preference among themselves and at least *pari passu* with any present or future obligation which (i) is issued by the Issuer and the obligations under which rank or are expressed to rank *pari passu* with the Issuer's obligations under the Bonds, or (ii) benefits from a guarantee or support agreement expressed to rank *pari passu* with its obligations under the Bonds, save for certain mandatory exceptions provided by statutory law.

4. GUARANTEE

4.1 Guarantee

The Guarantor has given an unconditional and irrevocable guarantee governed by the laws of Finland (the "**Guarantee**") for the due and punctual payment of principal of, and interest on, and any other amounts payable by the Issuer under the Bonds.

4.2 Status of the Guarantee

The Guarantee will rank *pari passu* with all of the Guarantor's existing and future senior unsecured debt and senior to all of its existing and future subordinated debt, notwithstanding certain limitation under the laws of the Guarantor's jurisdiction.

4.3 Limitations by statutory law

The obligations and liabilities of and the guarantee issued by the Guarantor under the Guarantee shall be limited if required (but only if and to the extent required) under any applicable law or regulation in the respective jurisdiction in which the Guarantor is incorporated.

4.4 In accordance with the Guarantee, and in addition to the payment guarantees described in Condition 4.1, the Guarantor shall undertake to comply with Conditions 11.3 (*Negative pledge*), 11.4 (*Mergers*), 11.5 (*Dealings with related parties*), 11.6 (*Compliance with law*) and 11.7 (*Financial reporting and information*).

4.5 Pursuant to the Guarantee, the Issuer shall procure that the Guarantee and all documents relating thereto are duly executed by the Guarantor in favour of the Holders and that such documents are legally valid, enforceable and in full force and effect according to their terms. The Issuer shall procure the execution of such further documentation by the Guarantor as the Agent may reasonably require in order for the Holders to at all times maintain the guarantee position envisaged under these Terms and Conditions and the Guarantee.

4.6 If a Holders' Meeting (Condition 16.2) has been convened, or a Vote without Meeting (Condition 16.13) instigated, to decide on the termination of the Bonds and/or the enforcement of the Guarantee, the Agent is obligated, to take actions in accordance with the Holders' decision regarding the Guarantee. However, if the Bonds are not terminated due to that the cause for termination has ceased or due to any other circumstance mentioned in these Terms and Conditions, the Agent shall not enforce the Guarantee. If the Holders,

without any prior initiative from the Agent or the Issuer, have made a decision regarding termination of the Bonds and enforcement of the Guarantee in accordance with the procedures set out in Conditions 16.2_ (*Convening of physical meeting*) and 16.13 (*Resolution in writing*), the Agent shall promptly declare the Bonds terminated and enforce the Guarantee. The Agent is however not liable to take action if the Agent considers cause for termination and/or acceleration not to be at hand, unless the instructing Holders in writing commit to holding the Agent indemnified and, at the Agent's own discretion, grant sufficient security for the obligation.

- 4.7 For the purpose of exercising the rights of the Holders and the Agent under these Terms and Conditions and for the purpose of distributing any funds originating from the enforcement of the Guarantee, the Issuer irrevocably authorizes and empowers the Agent to act in the name of the Issuer, and on behalf of the Issuer, to instruct the CSD to arrange for payment to the Holders and, for the same purpose, grant the Agent with the widest power to perform any action, enter into any agreement and execute any document. To the extent permissible by law, the powers set out in this Condition 4.7 are irrevocable and shall be valid for as long as any Bonds remain outstanding. The Issuer shall, and shall procure that the Guarantor, immediately upon request by the Agent provides the Agent with any such documents, including a written power of attorney (in form and substance to the Agent's satisfaction), which the Agent deems necessary for the purpose of carrying out its duties.
- 4.8 The Agent shall, upon the Issuer's written request and expense, promptly release the Guarantor from its obligations under the Guarantee:
- (a) in connection with (i) any sale or other disposal of Equity Interests whether by direct sale or sale of a holding company of the Guarantor or by way of merger, consolidation or otherwise or (ii) any sale or other disposal of all or substantially all of the assets of the Guarantor; to a Person that is not (either before or after giving effect to such transaction) the Issuer or a Group Company, provided however, that such sale or other disposal does not violate Condition 11.4 (*Mergers*);
 - (b) the Guarantor ceases to be a Subsidiary as a result of the sale or other disposition; and
 - (c) when all the Guaranteed Obligations have been duly and irrevocably paid and discharged in full.

5. **INTEREST**

5.1 Interest Rate and Interest Payment Dates

The Bonds shall bear interest at the Interest Rate per annum on their Nominal Amount from the Issue Date (the "**Interest Commencement Date**"). Interest shall be payable annually in arrears on each Interest Payment Date, commencing on the Interest Commencement Date. Interest shall cease to accrue with the expiration of the day preceding the day of repayment.

5.2 Default Interest

If the Issuer fails to redeem the Bonds on the day on which they become due for redemption within five Business Days, 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 2 per cent. higher than the Interest Rate.

5.3 Day Count Fraction

Where interest is to be calculated in respect of a period which is shorter than or equal to a full Interest Period, the interest will be calculated on the basis of Rule 251 ICMA (ACT/ACT).

6. MATURITY, REDEMPTION, EARLY REDEMPTION, REPURCHASE

6.1 Redemption at Maturity

The Issuer shall redeem the Bonds in full on the Final Redemption Date (or, to the extent such day is not a Business Day, on the Business Day following from an application of the Business Day Convention) with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest.

6.2 The Group's Purchase of Bonds

The Issuer or any of its Subsidiary may, subject to applicable law, at any time and at any price purchase Bonds. Bonds held by Issuer or any of its Subsidiary may at the Issuer or such Subsidiary's discretion be retained, sold or, if held by the Issuer, cancelled.

6.3 Early voluntary redemption by the Issuer (call option)

- (a) The Issuer may redeem all, but not only some, of the outstanding Bonds in full on any Business Day before the Final Redemption Date at the applicable Call Option Amount together with accrued but unpaid Interest.
- (b) Redemption in accordance with this Condition 6.3 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Holders and the Agent. Any such notice shall state the Redemption Date and the relevant Record Date and is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon expiry of such notice and the fulfilment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts.

6.4 Mandatory repurchase due to a Change of Control Event (put option)

- (a) Upon a Change of Control Event occurring, each Holder shall have the right to request that all, or only some, of its Bonds are repurchased (whereby the Issuer shall have the obligation to repurchase such Bonds) at a price per Bond equal to 101.00 per cent. of the Nominal Amount together with accrued but unpaid Interest; during a period of thirty (30) calendar days following the earlier of (i) a notice from the Issuer of the Change of Control Event pursuant to Condition 11.7 (*Financial reporting and information*) and (ii) such Holder becoming otherwise aware of the occurrence of the Change of Control Event. The thirty (30) calendar days' period may not start earlier than upon the occurrence of the Change of Control Event.
- (b) The notice from the Issuer pursuant to Condition 11.7 (*Financial reporting and information*) shall specify the repurchase date and include instructions about the actions that a Holder needs to take if it wants Bonds held by it to be repurchased. If a Holder 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 Condition 11.7 (*Financial reporting and information*). The repurchase date must fall no later than twenty (20) Business Days after the end of the period referred to in Condition 6.4(a).
- (c) The Issuer shall, and shall procure that the Guarantor 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 Condition 6.4, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Condition 6.4 by virtue of the conflict.

- (d) Any Bonds repurchased by the Issuer pursuant to this Condition 6.4 may at the Issuer's discretion be retained, sold or cancelled in accordance with Condition 6.2 (*The Group Companies' purchase of Bonds*).

6.5 Optional redemption for taxation reasons

- (a) If the Issuer or the Guarantor determines in good faith that, as a result of a Change in Tax Law, the Issuer or the Guarantor is, or on the next Interest Payment Date would be, required to pay any Additional Amounts, and such obligation cannot be avoided by taking reasonable measures available to the Issuer or the Guarantor, the Issuer may, in its absolute discretion, decide to redeem all, but not only some, of the outstanding Bonds in full on any Business Day before the Final Redemption Date. The Issuer shall give not less than twenty (20) and not more than forty (40) Business Days' notice of the redemption to the Agent and the Holders and the repayment per Bond shall be made at 100.00 per cent. of the Nominal Amount (together with accrued but unpaid Interest).
- (b) The notice from the Issuer pursuant to Condition 6.5(a) shall not be given (a) earlier than ninety (90) calendar days prior to the earliest date on which the Issuer or the Guarantor, as the case may be, would be obliged to make the relevant payment of Additional Amounts if a payment in respect of the Bonds were then due and (b) unless at the time such notice is given, such obligation to pay the relevant Additional Amounts remains in effect. Prior to giving any notice of redemption pursuant to the foregoing, the Issuer shall deliver to the Agent (i) a declaration in writing stating that it is entitled to effect such redemption and setting forth a statement of facts showing that a Change in Tax Law is at hand and that it would not be able to avoid the obligation to pay Additional Amounts by taking reasonable measures available to it and (ii) a written opinion of an independent tax counsel of recognized standing who is qualified to provide tax advice under the laws of the Relevant Taxing Jurisdiction to the effect that the Issuer or the Guarantor has or have been or will become obligated to pay the relevant Additional Amounts as a result of a Change in Tax Law. The Agent shall accept such declaration and opinion as sufficient evidence that a Change in Tax Law is at hand without further inquiry, in which event it shall be conclusive and binding on the Holders.
- (c) In the case of redemption due to withholding as a result of a Change in Tax Law such Change in Tax Law must become effective on or after the Issue Date.

7. PAYMENTS

7.1 Currency

All payments on the Bonds shall be made by the Issuer in Euro.

7.2 Payments

Payments of principal, interest and all other cash payments payable on the Bonds shall be made by the Issuer on the relevant due date to the Paying Agent (Condition 14.1), for on-payment to the Clearing System for credit to the accounts of the respective accountholders in the Clearing System. All payments made to the Clearing System or to its order shall discharge the liability of the Issuer under the Bonds to the extent of the amounts so paid.

7.3 Payment Date/Due Date

For the purposes of these Terms and Conditions, “**payment date**” means the day on which the payment is actually to be made, and “**due date**” means the payment date provided for herein, without taking account of such adjustment.

8. TAXES

8.1 Withholding Tax

All payments under Conditions 4 (*Guarantee*), 5 (*Interest*) and 6 (*Maturity, Redemption, Early Redemption, Repurchase*) in respect of the Bonds will be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed (i) by the relevant tax authority or any political subdivision or any authority therein that has power to tax or (ii) pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code and any regulations or agreements thereunder or official interpretations thereof (“**FATCA**”) or any law implementing an intergovernmental approach to FATCA, unless that withholding or deduction is required by law (including pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to FATCA or any law implementing an intergovernmental approach to FATCA). In that event, the Issuer will pay such additional amounts (the “**Additional Amounts**”) as the Holders would have received if no such withholding or deduction had been required, except if such Additional Amounts:

- (a) are payable by any person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it under the Bond; or
- (b) are payable by reason of a change in law that becomes effective more than 30 (thirty) days after the relevant payment becomes due, or is duly provided for and notice thereof is published in accordance with Condition 18 (Notices), whichever occurs later; or
- (c) are required by reason of an agreement described in Section 1471(b) of the Code or otherwise required by FATCA or any law implementing an intergovernmental approach to FATCA.

8.2 Prepayment

If, as a result of any change in, or amendment to, the laws or regulations prevailing in the relevant tax jurisdiction, which change or amendment becomes effective on or after the Issue Date or as a result of any application or official interpretation of such laws or regulations not generally known before that date, taxes or duties are or will be leviable on payments of principal or interest under the Bonds and, by reason of the obligation to pay Additional Amounts as provided in the provision above or otherwise such taxes or duties are to be borne by the Issuer, Condition 6.5 (*Optional Redemption for Taxation Reasons*) applies.

9. AGENT

9.1 Role and Duties of the Agent

- (a) By subscribing for Bonds, each initial Holder appoints the Agent to act as its agent in all matters relating to the Bonds and the Finance Documents, and authorizes 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 as well as certain legal acts as stipulated under these Terms and Conditions (inter alia information rights pursuant to Condition 11.7 (*Financial reporting and information*), termination rights pursuant to Condition 13 (*Termination of the Bonds*)) relating to the Bonds held by such Holder. By acquiring Bonds, each subsequent Holder confirms such appointment and authorization for the Agent to act on its behalf. The Agent shall represent the Holders in accordance with the Finance Documents. However, the Agent is not responsible for the execution or enforceability of the Finance Documents. The Agent shall keep the latest version of these Terms and Conditions (including any document amending these Terms and Conditions) available upon request of any Holder.

- (b) 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.
- (c) The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agent's obligations as agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- (d) The Agent may act as agent and/or security trustee for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.
- (e) The Issuer appoints the Agent also as Holders' representative for the Holders.
- (f) 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 (a) after the occurrence of an Event of Default, (b) for the purpose of investigating or considering an event which the Agent reasonably believes is or may lead to an Event of Default or a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Holders under the Finance Documents or (c) when the Agent is to make a determination under the Finance Documents.

9.2 Limited liability for the Agent

- (a) The Agent will only be liable to the Holders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document and such liability being limited to an amount which corresponds to the tenfold amount of its annual fees, unless any damages are directly caused by gross negligence (*faute lourde*) or wilful misconduct (*faute intentionnelle / dol*).
- (b) The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Holders to delay the action in order to first obtain instructions from the Holders.
- (c) The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Holders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating

procedures of any recognized clearing or settlement system used by the Agent for that purpose.

- (d) The Agent shall have no liability to the Holders for damage caused by the Agent acting in accordance with instructions of the Holders given in accordance with Condition 16 (*Meetings of Holders*).

9.3 Replacement of the Agent

- (a) The Agent may resign by giving notice to the Issuer and the Holders, in which case the Holders shall appoint a successor Agent at a Holders' Meeting convened by the retiring Agent or the Issuer or by way of Written Procedure initiated by the retiring Agent or the Issuer.
- (b) For the replacement of the Agent by appointment of a successor Agent pursuant to Condition 9.3(a), the provisions under Condition 16 (*Meetings of Holders*) and Condition 17 (*Appointment of Holders' Representative*) apply.

10. TRANSACTION SECURITY

10.1 Granting of the Transaction Security

- (a) As continuing Security for the due and punctual fulfilment of the Secured Obligations, the Pledgor will grant the Transaction Security to the Secured Creditors as represented by the Security Agent on the terms set out in the Pledge Agreement.
- (b) The Security Agent shall hold the Transaction Security on behalf of the Secured Creditors and shall have all the claim rights necessary for establishment, perfection, maintenance and enforcement of the Transaction Security in accordance with the terms of the Pledge Agreement and the Security Agent Agreement.
- (c) Unless and until the Security Agent has received instructions from the Holders in accordance with Condition 16 (*Meeting of Holders*), the Security Agent shall (without first having to obtain the Holders' consent) be entitled to enter into agreements with the Pledgor, or a third party or take any other actions, if it is, in the Security Agent's opinion, necessary for the purpose of maintaining, releasing or enforcing the Transaction Security or for the purpose of settling the Holders' or the Issuer's rights to the Transaction Security, in each case in accordance with the terms of the Pledge Agreement, the Security Agent Agreement and the terms of the Finance Documents, and provided that such agreements or actions are not detrimental to the interests of the Holders.
- (d) The Agent shall be entitled to give instructions relating to the Transaction Security to the Security Agent in accordance with the Security Agent Agreement.

10.2 Release of Transaction Security

The Security Agent may at any time release any Transaction Security in accordance with the terms of the Pledge Agreement and the Security Agent Agreement. For the avoidance of doubt, any Transaction Security will always be released pro rata between the Secured Creditors and the remaining Transaction Security will continue to rank *pari passu* between the Secured Creditors as set forth in the Pledge Agreement and the Security Agent Agreement.

10.3 Enforcement of Transaction Security

- (a) The Security Agent may only take action to accelerate or enforce any Transaction Security in accordance with the terms of the Security Agent Agreement and the Pledge Agreement.
- (b) Upon an enforcement of the Transaction Security or following receipt of any recovery after the occurrence of an insolvency event of the Issuer, the enforcement proceeds and any amount of recoveries will, pursuant to the Security Agent Agreement, be distributed towards discharge of the liabilities under these Terms and Conditions and the Bonds.
- (c) All Transaction Security or arrangement having similar effects may be released by the Security Agent, without the need for any further referral to or authority from anyone, upon any enforcement.

10.4 Parallel Debt

- (a) To the extent that any debt of the Issuer or any of its Subsidiaries (including any debt under the Bonds) is secured by any Transaction Security, Guarantee or indemnity that also secures the Bonds in accordance with these Terms and Conditions (together, the “**Corresponding Debt**”), the Issuer and the Guarantor shall pay to the Security Agent an amount equal to the amount of the Corresponding Debt provided that any amounts are outstanding under the Corresponding Debt (the “**Parallel Debt**”). The Security Agent is a joint creditor (together with the other Secured Creditors) of the Corresponding Debt and, accordingly, the Security Agent shall have its own independent right to demand performance by the Issuer or any of its Subsidiaries thereunder.
- (b) The Parallel Debt is a separate debt independent from the Corresponding Debt, except that in case of a payment under the Corresponding Debt or the Parallel Debt, as applicable, the Parallel Debt or the Corresponding Debt will decrease for the same amount (so that at any time the amount under the Corresponding Debt and the Parallel Debt will be equal).
- (c) In case the Security Agent receives any payment under the Parallel Debt or as a consequence of the enforcement of any Transaction Security, Guarantee or indemnity, such amount (after deduction of any costs or taxes) shall be applied in accordance with the provisions of the Pledge Agreement (it being understood that the amount that is due to the Holders in accordance with the Conditions will only be reduced with the amount the Security Agent would pay to the Holders under the Parallel Debt or the enforcement of any Transaction Security, the Guarantee or indemnity).

11. SPECIAL UNDERTAKINGS

11.1 General

So long as any Bond remains outstanding, the Issuer undertakes to comply with the special undertakings set forth in this Condition 11.

11.2 Listing of Bonds

The Issuer shall ensure upon the Issue Date that (a) the Bonds are listed on the Luxembourg Stock Exchange (Euro MTF Market - LGX-Green exchange) and (b) that, upon any further issues of Bonds pursuant to Condition 15 (*Further Issues*), the volume of Bonds listed on Luxembourg Stock Exchange (Euro MTF Market - LGX-Green exchange), promptly, and not later than twenty (20) Business Days after the Settlement Date, is increased accordingly.

11.3 Negative pledge

The Issuer shall not, and the Guarantor has undertaken in the Guarantee not to, create or allow to subsist, retain, provide, prolong or renew any security of any kind (including any mortgage, lien, pledge, charge, security interest or encumbrance) ("**Security**") over any of their assets (present or future) to secure any Financial Indebtedness incurred in connection with a further bond issue, provided, however, that the Issuer and the Guarantor have a right to create or allow to subsist, retain, provide, prolong and renew any Permitted Security.

11.4 Mergers

The Issuer shall not, and the Guarantor has undertaken in the Guarantee not to merge with or into another Person. The above shall not prevent the following mergers, provided that they do not have a Material Adverse Effect:

- (a) mergers between or among the Issuer and the Guarantor;
- (b) mergers between or among the Subsidiaries (including the Guarantor), provided, in the case of a merger of the Issuer or the Guarantor, that the Person formed by or surviving any such merger (if other than the Issuer or the Guarantor, as the case may be) assumes all the obligations of the Issuer or the Guarantor, as the case may be, under these Terms and Conditions and the Guarantee (as applicable) pursuant to accession agreements reasonably satisfactory to the Agent; and
- (c) mergers of the Guarantor on one side and a Third Party on the other side, where the Person formed by or surviving such merger is the Third Party, provided that: (i) the shares in the surviving entity received as consideration and any other consideration are held by the Issuer post the merger; and (ii) the merger is carried out at fair market value and on terms and conditions customary for such mergers.

11.5 Dealings with related parties

The Issuer shall, and the Guarantor has undertaken in the Guarantee to conduct all dealings with the direct and indirect shareholders of the Group Companies (excluding other Group Companies) and/or any Affiliates of such direct and indirect shareholders at arm's length terms.

11.6 Compliance with laws

The Issuer shall, and the Guarantor has undertaken in the Guarantee to (a) comply in all material respects with all laws and regulations applicable from time to time and (b) obtain, maintain, and in all material respects comply with, the terms and conditions of any authorization, approval, licence or other permit required for the business carried out by it.

11.7 Financial reporting and information

- (a) The Issuer shall:
 - (i) prepare and make available the annual audited consolidated financial statements of the Issuer on its website not later than four (4) months after the expiry of each financial year;
 - (ii) prepare and make available the half-year interim unaudited consolidated reports of the Issuer on its website not later than forty-five (45) calendar days after the expiry of the interim period;

- (iii) keep the latest version of these Terms and Conditions (including documents amending these Terms and Conditions) available on its website; and
 - (iv) promptly notify the Agent (and, as regards a Change of Control Event, the Holders) upon becoming aware of the occurrence of a Change of Control Event or an Event of Default and shall provide the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice.
- (b) The Issuer shall notify the Agent of any merger referred to in Condition 11.4 (*Mergers*) and shall, upon request by the Agent, provide the Agent with any information relating to the merger which the Agent deems necessary (acting reasonably), including, in case of a merger where the Issuer or the Guarantor is not the surviving entity pursuant to Condition 11.4 (*Mergers*) an opinion by legal counsel, that the accession agreement executed in connection therewith, these Terms and Conditions and/or the Guarantee are legally valid and binding obligations of the successor Person in accordance with their terms.

11.8 Agent Agreement

- (a) The Issuer shall, in accordance with the Agent Agreement:
- (i) pay fees to the Agent;
 - (ii) indemnify the Agent for costs, losses and liabilities;
 - (iii) furnish to the Agent all information reasonably requested by or otherwise required to be delivered to the Agent; and
 - (iv) not act in a way which would give the Agent a legal or contractual right to terminate the Agent Agreement.
- (b) The Issuer and the Agent shall not agree to amend any provisions of the Agent Agreement without the prior consent of the Holders if the amendment would be detrimental to the interests of the Holders.

12. FINANCIAL COVENANTS

12.1 Financial Conditions

The Issuer shall ensure that:

- (a) the Net Debt-to-EBITDA ratio is at least 4.0; and
- (b) the Equity Ratio is at least:
 - (i) 15% until the end of the financial year ending on 31 December 2019;
 - (ii) 15% until the end of the financial year ending on 31 December 2020; and
 - (iii) 20% from 2021 and until the redemption of the Bonds.

12.2 Financial Testing

The financial covenants set out in Condition 12.1(a) and Condition 12.1(b) shall be tested semi-annually and calculated in accordance with the Accounting Principles and by reference

to each of the Financial Report of the Issuer made available pursuant to Condition 11.7 (*Financial reporting and information*).

12.3 Covenant Cure

- (a) The shareholders of the Issuer may cure or prevent a breach of the financial covenants in Condition 12.1 (*Financial Conditions*) (and any Event of Default arising as a result therefrom) if, prior to or within ninety (90) calendar days of the earlier of (i) the date on which the relevant Financial Report are to be made available and (ii) the date that such Financial Report was in fact made available pursuant to Condition 11.7 (*Financial reporting and information*) for any Relevant Period in which such failure to comply was (or would have been) first evidenced, the Issuer receives the cash proceeds of New Shareholder Injections from the shareholders of the Issuer (the “**Equity Cure**”), in an amount at least sufficient to ensure that the financial covenants set out above would be complied with if tested again as at the last day of the same Relevant Period on the basis that any Equity Cure so provided shall be included for the Relevant Period as if provided immediately prior to the last day of such Relevant Period (the “**Adjustment**”).
- (b) Any new equity and/or subordinated debt so provided in respect of any Relevant Period shall be deemed to have been provided immediately prior to the last date of such Relevant Period and shall be included (without double counting) in all relevant covenant calculations until the date it was deemed provided falls outside any subsequent Relevant Period.
- (c) If, after giving effect to the Adjustment, the requirements of the relevant financial covenants are met, then the requirements thereof shall be deemed to have been satisfied at the relevant original date of determination and any default, Event of Default occasioned thereby shall be deemed to have been remedied for the purposes of the Finance Documents.

13. TERMINATION OF THE BONDS

13.1 The Agent is entitled, on behalf of the Holders, to terminate the Bonds and to declare all, but not only some, of the Bonds due for payment immediately or at such later date as the Agent determines (such later date not falling later than twenty (20) Business Days from the date on which the Agent made such declaration), if:

- (a) Non-payment

the Issuer or the Guarantor fails to pay an amount on the date it is due in accordance with the Finance Documents unless its failure to pay is due to technical or administrative error and is remedied within ten (10) Business Days of the due date;

- (b) Other obligations

the Issuer or the Guarantor does not comply with the Finance Documents in any other way than as set out under item (a) (Non-payment) above, unless the non-compliance (i) is capable of being remedied and (ii) is remedied within twenty-five (25) Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance (if the failure or violation is not capable of being remedied, the Agent may declare the Bonds payable without such prior written request);

- (c) Cross-default and cross-acceleration

- (i) an event of default, howsoever described, occurs under any Finance Document pertaining to any additional secured obligations;
- (ii) any Financial Indebtedness of the Issuer or the Guarantor is not paid when due nor within any originally applicable grace period or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default howsoever described under any document relating to Financial Indebtedness of the Issuer or the Guarantor; or
- (iii) any security interest securing Financial Indebtedness over any asset of any of the Issuer or the Guarantor is enforced;

provided however that the amount of Financial Indebtedness referred to under item (ii) and/or (iii) above, individually or in the aggregate exceeds an amount corresponding to EUR 5,000,000.00 (or its equivalent in any other currency) and provided that it does not apply to any Financial Indebtedness owed to the Issuer or the Guarantor;

(d) Insolvency

the Issuer or the Guarantor 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 (other than under these Terms and Conditions) with a view to rescheduling its Financial Indebtedness other than the Bonds; or a moratorium is declared in respect of the Financial Indebtedness of the Issuer or the Guarantor;

(e) 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 thirty (30) calendar days of commencement or, if earlier, the date on which it is advertised and (ii), in relation to a Group Company other than the Guarantor, solvent liquidations) in relation to:

- (i) the suspension of payments, winding-up, dissolution, administration or reorganization (by way of voluntary agreement, scheme of arrangement or otherwise) of any Group Company;
- (ii) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any Group Company or any of its assets; or
- (iii) any analogous procedure or step is taken in any jurisdiction in respect of any Group Company;

(f) Mergers and demergers

unless allowed under Condition 11.4 (*Mergers*), the Issuer or the Guarantor merges with a Person other than the Issuer or the Guarantor, or is subject to a demerger, with the effect that the Issuer or the Guarantor is not the surviving entity;

(g) Sanctioned Person

any Ultimate Beneficial Owner of Holdco is or becomes a Sanctioned Person;

(h) Creditors' process

any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of the Issuer or the Guarantor having an aggregate value equal to or exceeding EUR 5,000,000.00 (or its equivalent in any other currency) and where such process (i) is not discharged within thirty (30) calendar days or (ii) is being made in bad faith by the claimant, as evidenced by the Issuer to the Agent (such evidence to be accepted or dismissed by the Agent in its sole discretion);

(i) Impossibility or illegality

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

(j) Continuation of the business

any of the Issuer or the Guarantor ceases to carry on its business (except if due to a merger as permitted under Condition 11.4 (*Mergers*)) and such event has a Material Adverse Effect.

13.2 Termination for payment prematurely may only occur if the cause of termination is continuing at the time of the Agent's declaration. However, if a moratorium occurs, the ending of that moratorium will not prevent termination for payment prematurely on the ground mentioned in Condition 13.1(d) (*Insolvency*).

13.3 If the right to terminate 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 termination to be deemed to exist.

13.4 The Issuer is obligated to inform the Agent immediately if any circumstance of the type specified in Conditions 13.1 should occur. Should the Agent not receive such information, the Agent is entitled to assume that no such circumstance exists or can be expected to occur, provided that the Agent does not have knowledge of such circumstance. The Agent is under no obligations to make any investigations relating to the circumstances specified in Condition 13.1. The Issuer shall further, at the request of the Agent, provide the Agent with details of any circumstances referred to in Condition 13.1 and provide the Agent with all documents that may be of significance for the application of this Condition 13.

13.5 The Issuer is only obligated to inform the Agent according to Condition 13.4 if informing the Agent would not conflict with any statute or the Issuer's registration contract with the Luxembourg Stock Exchange (or any other stock exchange, as applicable). If such a conflict would exist pursuant to the listing contract with the relevant stock exchange or otherwise, the Issuer shall however be obligated to either seek the approval from the relevant stock exchange 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 Condition 13.4.

13.6 If the Agent has been notified by the Issuer or has otherwise determined that there is a default under these Terms and Conditions according to Condition 13.1, the Agent shall decide, within twenty (20) Business Days of the day of notification or determination, if the Bonds shall be declared terminated. If the Agent has decided not to terminate the Bonds, the Agent shall, at the earliest possible date, notify the Holders that there exists a right of termination and obtain instructions from the Holders according to the provisions in Condition 16 (*Meetings of Holders*). If the Holders vote in favour of termination and instruct the Agent

to terminate the Bonds, the Agent shall promptly declare the Bonds terminated. However, if the cause for termination according to the Agent's appraisal has ceased before the termination, the Agent shall not terminate the Bonds. The Agent shall in such case, at the earliest possible date, notify the Holders that the cause for termination has ceased. The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default and whether such event has a Material Adverse Effect.

- 13.7 If the Holders, without any prior initiative to decision from the Agent or the Issuer, have made a decision regarding termination in accordance with Condition 16 (*Meetings of Holders*), the Agent shall promptly declare the Bonds terminated. The Agent is however not liable to take action if the Agent considers cause for termination not to be at hand, unless the instructing Holders agree in writing to indemnify and hold the Agent harmless from any loss or liability and, if requested by the Agent in its discretion, grant sufficient security for such indemnity.
- 13.8 If the Bonds are declared due and payable in accordance with the provisions in this Condition 13, the Agent shall take every reasonable measure necessary to recover the amounts outstanding under the Bonds.
- 13.9 For the avoidance of doubt, the Bonds cannot be terminated and become due for payment prematurely according to this Condition 13 without relevant decision by the Agent or following instructions from the Holders' pursuant to Condition 16 (*Meetings of Holders*).
- 13.10 If the Bonds are declared due and payable in accordance with the provisions in this Condition 13, the Issuer shall redeem all Bonds with an amount per Bond equal to the applicable Call Option Amount.

14. **AGENTS**

14.1 Paying Agent

The Issuer has appointed Banque Internationale à Luxembourg S.A., to act as paying agent (the "**Paying Agent**"). Changes of address shall be notified in accordance with Condition 18 (*Notices*). In no event will the specified office of the Paying Agent be within the United States or its possessions.

14.2 Calculation Agent

The Issuer has appointed Banque Internationale à Luxembourg S.A., to act as calculation agent (the "**Calculation Agent**"). Changes of address shall be published in accordance with Condition 18 (*Notices*). In no event will the specified office of the Calculation Agent be within the United States or its possessions.

14.3 Substitution

The Issuer will procure that there will at all times be a paying agent as well as a calculation agent. The Issuer may at any time, by giving not less than 30 days' notice appoint another bank of good reputation as Paying Agent. Furthermore, the Issuer is entitled to terminate the appointment of any bank as Paying Agent. In the event of such termination or any of such bank being unable or unwilling to continue to act as Paying Agent in the relevant capacity, the Issuer will appoint another bank of good reputation as Paying Agent in the relevant capacity. Such appointment or termination will be published without undue delay in accordance with Condition 18 (*Notices*), or, should this not be possible, be published in another appropriate manner.

14.4 Binding Determinations

All determinations, calculations and adjustments made by any Agent will be made in conjunction with the Issuer and will, in the absence of manifest error, be conclusive in all respects and binding upon the Issuer and all Holders.

15. FURTHER ISSUES

The Issuer reserves the right to issue from time to time, without the consent of the Holders, additional bonds with substantially identical terms as the Bonds (as the case may be, except for the issue date, interest, commencement date and/or issue price), including in a manner that the same can be consolidated to form a single series of bonds and increase the aggregate principal amount of the Bonds. The term “**Bond**” will, in the event of such consolidation, also comprise such additionally issued bonds. The Issuer shall, however, not be limited in issuing additional bonds, which are not consolidated with the Bonds and which provide for different terms, and having a different ISIN number, as well as in issuing any other debt securities.

16. MEETINGS OF HOLDERS

16.1 General

Articles 470-3 – 470-19 of the Luxembourg law dated 10 August 1915 on commercial companies, as amended (the “**Companies Law**”) shall be derogated by this Condition 16.

16.2 Convening of physical meetings

The Issuer may, and shall upon the request in writing signed by any one or more of the Holders holding not less than 10 per cent of the principal amount of all the Bonds for the time being outstanding, directly or through the Agent, convene a meeting of the Holders to be held at such place and by any means as the Issuer shall determine.

At least fourteen (14) clear days’ notice shall be given by the Issuer to the Agent and to the Holders by simple letter or electronic mail, or, if to the Holders, through the Clearing System in the conditions provided in Condition 18 (*Notices*). The notice shall specify the place, day and hour of the meeting and the general nature of the business to be transacted. The notice shall state that the Holder is entitled to appoint a proxy to attend and vote on such Holder’s behalf for the purposes of Conditions 16.7 (*Poll*) and 16.8 (*Voting*).

Any notice given through the Clearing System shall be deemed to have been given to each Holder on the day after the day on which the said notice was given to the Clearing System.

The accidental failure to give notice to or the non-receipt of notice by the Agent or by the Holder shall not invalidate the proceedings of or any resolution passed at any meeting.

16.3 Quorum and majority

Modification of the Conditions (i) to change the maturity of the Bonds or the date on which interest (if any) is payable in connection with the Bonds, (ii) to reduce the nominal amount of or reduce the interest rate (if any) payable in connection with the Bonds, (iii) to amend the redemption conditions, (iv) to increase or decrease the total interest and Redemption Amount (v) to change majority required to pass a resolution or (vii) to make any other change or amendment to the Conditions or the Pledge Agreement (other than any modification, authorization or waiver as described in Condition 16.14 (*Amendments and waivers not requiring a Holders’ resolution*) below) may only be made by a resolution approved by two-thirds of votes cast (an “**Extraordinary Resolution**”).

Other resolutions concerning, inter alia, (i) the approval of any conservatory measure taken in the common interest of the Holders, (ii) the determination of any other measures aimed at defending the Holders' interests or the exercise by the Holders of their rights will be taken by a resolution approved by a simple majority of votes cast (an "**Ordinary Resolution**").

The quorum at any meeting for passing an Extraordinary Resolution or an Ordinary Resolution will be one or more persons holding or representing not less than 50 per cent of the nominal amount of the relevant Bonds for the time being outstanding. Any resolution passed at any meeting of the Holders will be binding on all the relevant Holders (whether or not they were present at the meeting at which such resolution was passed).

If no quorum is present within thirty (30) minutes from the time appointed for any meeting of the Holders, the meeting shall be adjourned to such day (not being less than fourteen (14) days nor more than twenty-eight (28) days after the date of the original meeting) and time and place as the chairman directs. At any such adjourned meeting the Holder or Holders or proxies for Holders present, regardless of the number of Bonds held or represented by them, will constitute a quorum for all purposes. At least seven (7) days' notice of any adjourned meeting of the Holders shall be given. Notice of any adjourned meeting shall, so far as possible, be given in the same manner as for the original meeting and such notice shall state that the Holder or Holders or proxies for the Holders present at such meetings, regardless of the number or the Bonds held or represented by them, will constitute a quorum. No business shall be transacted at any adjourned meeting except business, which might lawfully have been transacted at the meeting from which the adjournment took place.

16.4 Chairman

The Issuer may nominate in writing a person to preside as chairman at a meeting but if no such person is nominated or, if at any meeting the person nominated shall not be present within five minutes after the time appointed for holding the meeting the Holders present shall choose one of their number to be pro tempore chairman for this meeting. No chairman is requested for a decision that is taken by way of resolution in writing as set out in Condition 16.13 (*Resolution in writing*) below.

16.5 Attendance of members of the board of directors of the Issuer and advisors

The members of the board of directors and the legal and other professional advisors of the Issuer and any other person authorized in that behalf by the Issuer may attend and speak at any meeting.

16.6 Resolutions taken during a physical meeting

A resolution put to the vote of the meeting shall be decided on a show of hands unless before the declaration of the result on the show of hands a poll is demanded by the chairman or by one or more Holders present in person or by proxy and holding or representing in aggregate not less than 5 per cent of the relevant Bonds for the time being outstanding. Unless a poll is so demanded, a declaration by the chairman that a resolution has been carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

16.7 Poll

If a poll is duly demanded it shall be taken in such manner and at such time and place as the chairman may direct except that a poll demanded on the election of a chairman or any question of adjournment shall be taken at the meeting without adjournment.

No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case, at least seven (7) days' notice shall be given.

The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded. The demand for a poll may be withdrawn.

The result of a poll shall be deemed to be a resolution of the meeting at which the poll was demanded.

16.8 Voting

On a poll every Holder who is present in person or by proxy or, in the case of a corporation, by its authorized representatives shall have one vote for every Bond held by him. A person entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.

No objection shall be raised to the qualification of any person voting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.

16.9 Equality of votes

In the case of an equality of votes whether on a show of hands or on a poll the chairman of the meeting shall not be entitled to a casting vote.

16.10 Adjournment of meeting

The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place but no business shall be transacted at any such adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. No notice of any such adjourned meeting need be given except when the meeting is adjourned for fourteen (14) days or more, in which event at least seven (7) clear days' notice shall be given.

16.11 Proxies

The instrument appointing a proxy shall be in writing and signed by the appointor or his attorney duly authorized in writing or, if the appointor is a corporation, signed by an attorney or officer so authorized. The Issuer may but shall not be bound to require evidence of the authority of any such attorney or officer.

A person appointed to act as proxy need not be a Holder. The chairman of the meeting may be designated as a proxy in an instrument of proxy without being named. An instrument of proxy shall be valid for any adjournment of the meeting to which it relates unless the contrary is stated on it.

The instrument appointing a proxy and the power of attorney under which it is signed or a notarially certified copy of such power of attorney shall be deposited at the Issuer's registered office or at such place as may be specified in the notice convening the meeting or any document accompanying such notice not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting or for the taking of the poll to which

such instrument relates. Any instrument of proxy not deposited as provided in this Condition 16.11 shall be invalid.

The instrument appointing a proxy shall not have been granted more than twelve (12) months before the meeting at which it is purported to be used.

A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy is given unless notification in writing of the death, insanity or revocation shall have been received at the registered office of the Issuer prior to the commencement of the meeting or adjourned meeting or the taking of the poll at which the proxy is to be used.

16.12 Minutes

The chairman shall procure that minutes of all resolutions and proceedings at every meeting shall be produced and duly entered in books to be provided for that purpose by the Issuer. Any such minutes as aforesaid if purporting to be signed by the chairman of the meeting or by the chairman of the next succeeding meeting of the Holders shall be conclusive evidence of the matters contained in the minutes and until the contrary is proved every such meeting in respect of which minutes have been made and signed as aforesaid shall be deemed to have been duly convened and held and all resolutions passed at such meeting to have been duly passed.

16.13 Resolution in writing

Notwithstanding the above, a resolution in writing signed as described in this Condition 16.13 ("**Vote without Meeting**") shall be valid and effectual as if it had been passed at a meeting of the Holders duly convened and held. Such resolution in writing may consist of several documents in the like form each signed by or on behalf of one or more such persons.

A resolution in writing signed by or on behalf of the holders of not less than two-thirds in principal amount of the Bonds for the time being outstanding shall for all purposes be as valid and effectual as an Extraordinary Resolution passed at a meeting of Holders.

A resolution in writing signed by or on behalf of the holders of a simple majority in principal amount of the Bonds for the time being outstanding shall for all purposes be as valid and effectual as an Ordinary Resolution passed at a meeting of Holders.

A resolution in writing, for which the Holders will express their approval or disapproval electronically, shall for all purposes be as valid and effectual as an Ordinary Resolution or, as the case may be, an Extraordinary Resolution as if it had been passed at a meeting of the Holders duly convened and held.

16.14 Amendments and waivers not requiring a Holders' resolution

The Issuer and the Agent may determine, without liability to any person therefor, any modification of the Terms and Conditions or the Pledge Agreement, or waiver of any rights thereof, which is, in the opinion of the Issuer and the Agent, of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of law and which is in the opinion of the Issuer and the Agent not materially prejudicial to the interests of the Holders. Any such modification, authorization or waiver will be binding on the Holders and such modification will be notified to the Holders as soon as practicable in accordance with Condition 18 (*Notices*).

17. APPOINTMENT OF HOLDERS' REPRESENTATIVE

- 17.1 The Holders may by majority resolution provide for the dismissal of the Agent who acts pursuant to Condition 9.1(e) also as Holders' representative and shall provide by majority resolution for the appointment of another Holders' representative. Such appointment of the Holders' representative may at the same time also include the appointment as agent under Condition 9 (*Agent*). In the event that such Holders' representative/Agent is to be authorized to consent to a material change in the substance of the Terms and Conditions or other material matters, the appointment may only be passed by a Qualified Majority.
- 17.2 If the Holders' representative is also appointed in its capacity as Agent pursuant to Condition 9 (*Agent*), the provisions of Condition 9 (*Agent*) and the provisions of the Agent Agreement apply to such appointed Holders' representative and Agent.

18. NOTICES

- 18.1 Any notice or other communication to be made under or in connection with these Terms and Conditions:
- (a) if to the Agent, shall be given at the address Widenmayerstraße 16, 80538 Munich, Germany on the Business Day prior to dispatch or, if sent by email by the Issuer, to such email address as notified by the Agent to the Issuer from time to time;
 - (b) if to the Issuer, shall be given at the address Kankurinkatu 4-6 05800 Hyvinkää, Finland or such address notified by the Issuer to the Agent from time to time or, if sent by email by the Agent, to such email address as notified by the Issuer to the Agent from time to time;
 - (c) if to the Guarantor, shall be given to the address stated in the Guarantee or such address notified by the Guarantor to the Agent from time to time or, if sent by email by the Agent, to such email address as notified by the Guarantor to the Agent from time to time; and
 - (d) if to the Holders, shall be published on the Issuer's website and/or otherwise in accordance with the provisions of legal regulations. A notice will be deemed to be made on the day of its publication (in case of more than one publication, on the day of the first publication). As long as the Bonds are cleared, the Issuer shall also make notifications to the clearing system for communication by the clearing system to the Holders or directly to the Holders, provided this complies with the rules of the stock exchange on which the Bonds are listed. Notifications vis-à-vis the clearing system will be deemed to be effected seven (7) days after the notification of the clearing system, direct notifications of the Holders will be deemed to be effected upon their receipt.
- 18.2 Any notice or other communication made by one Person to another under or in connection with these Terms and Conditions shall be sent by way of courier, personal delivery or letter (and, if between the Agent and the Issuer, by email) and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Condition 18.1 or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Condition 18.1 or, in case of email to the Agent or the Issuer, when received in legible form by the email address specified in Condition 18.1.
- 18.3 Failure to send a notice or other communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders.

18.4 Notices to the Holders will also be given (so long as the Bonds are listed on the Luxembourg Stock Exchange and the rules of that Stock Exchange so require) on the website of the Luxembourg Stock Exchange (www.bourse.lu).

19. **APPLICABLE LAW AND PLACE OF JURISDICTION**

19.1 Governing Law

The Bonds are governed by, and shall be construed in accordance with, Luxembourg law.

19.2 Jurisdiction

The exclusive place of jurisdiction for any action or other legal proceedings arising out of or in connection with the Bonds shall be the courts of Luxembourg, Grand Duchy of Luxembourg. The Issuer and the Holders hereby submit to the jurisdiction of such court.

GUARANTEE

GUARANTEE AGREEMENT DATED ____ DECEMBER 2019 AND MADE BETWEEN

- (1) **Reka Cables Ltd**, a limited company, incorporated under the laws of Finland, having its registered office at Varastokatu 8, 05800 Hyvinkää, Finland and registered with the Finnish Trade Register under number 1110846-3 (the “**Guarantor**”);
- (2) **Greenmarck Restructuring Solutions GmbH**, registered with the lower court of Munich, HRB 187052, with registered office at Widenmayerstraße 16, 80538 Munich, Germany, acting on behalf of the Secured Creditors (the “**Security Agent**”);

AND

- (3) **Neo Industrial Plc**, a public limited liability company, incorporated under the laws of Finland, having its registered office at Kankurinkatu 4-6, 05800 Hyvinkää, Finland, and registered with the Finnish Trade Register under number 0693494-7 (the “**Issuer**”).

The Guarantor, the Security Agent and the Issuer are collectively referred to as the “**Parties**” and each individually as a “**Party**”.

IT IS AGREED AS FOLLOWS:

1. DEFINITION AND INTERPRETATION

1.1 Definitions

In this first demand guarantee (the “**Guarantee**”), the following capitalized terms shall have the meanings set forth below.

“**Obligor**” means the Issuer and the Guarantor.

“**Guaranteed Documents**” means the Finance Documents as defined in the Terms and Conditions.

“**Secured Creditors**” has the meaning ascribed to such term in the Terms and Conditions.

“**Terms and Conditions**” means the terms and conditions for the EUR 10,000,000.00 6.00% Senior Secured Bonds 6 December 2024 to be issued by Neo Industrial Plc on or about 6 December 2019 (the “**Issue Date**”).

Terms defined in the Terms and Conditions have the same meaning when used in this Guarantee unless otherwise defined in this Guarantee.

1.2 Interpretation

- (a) Save where the contrary intention appears, a reference in this Guarantee to any of the Guaranteed Documents or any other document shall be construed as a reference to such Guaranteed Document or such other documents as amended, varied, novated assigned, supplemented or restated from time to time, as the case may be, in accordance with its terms.
- (b) Save where the contrary intention appears, a reference in this Guarantee to any person or entity shall include any successor, assignee or transferee of such person or entity.

2. GUARANTEE

- 2.1 The Guarantor hereby unconditionally and irrevocably guarantees by way of an independent payment obligation to each holder of the Bonds (the “**Holders**”) the due and punctual payment of principal of, and interest on, and any other amounts payable under the relevant Bonds (the “**Guaranteed Obligations**”) under the terms of this Guarantee.
- 2.2 This Guarantee shall be separate and independent from the obligations of the Issuer and shall exist irrespective of the validity and enforceability of the obligations of the Issuer under the Bonds.
- 2.3 The Guarantee constitutes an independent payment obligation for the benefit of the Security Agent (acting on behalf of the Secured Creditors), giving rise to the right of the Security Agent (acting on behalf of each Secured Creditor) to require performance of the Guarantee directly from the Guarantor and to enforce the Guarantee directly against the Guarantor. The Parties expressly agree that any reference in this Guarantee to the Guaranteed Documents and to the Terms and Conditions shall under no circumstances be construed as affecting the independent, unconditional and irrevocable nature of the first demand guarantee granted pursuant to this Guarantee.
- 2.4 The Guarantor irrevocably undertakes to pay to the Security Agent upon written first demand (a “**Payment Demand**”) of the Security Agent, the amounts payable as principal, interest and other amounts due by the Secured Creditors pursuant to the Terms and Conditions on due dates as provided in the Terms and Conditions.
- 2.5 The intent and purpose of this Guarantee is to ensure that the Secured Creditors under all circumstances, whether factual or legal, and regardless of the validity and enforceability of the obligations of the Issuer or of any other grounds on the basis of which the Issuer may fail to effect payment, shall receive the amounts payable as principal, interest and other amounts to the Secured Creditors pursuant to the Terms and Conditions on due dates as provided in the Terms and Conditions.
- 2.6 The Guarantee will rank *pari passu* with all of the Guarantor’s existing and future senior unsecured debt and senior to all of its existing and future subordinated debt, notwithstanding certain limitation under the laws of the Guarantor’s jurisdiction.
- 2.7 The Obligations of the Guarantor *vis-à-vis* the Security Agent under this Clause 2 shall not be:
- (a) satisfied, discharged, lessened, impaired or affected by any intermediate payment or settlement of account or any change in the constitution or control of, or the insolvency of, or any liquidation, winding up or analogous proceedings relating to, the Guarantor; and
 - (b) discharged, prejudiced, lessened, affected or impaired by any act, event, omission or circumstance whatsoever which but for this provision would or might operate to release or exonerate the Guarantor from all or any part of such obligations or in any way discharge, prejudice, lessen, affect or impair the same.
- 2.8 The Guarantor expressly consents to the Guarantee being independent from any other security granted in connection with the Bonds and waives any right which might result from the release of any such other security.

3. CONDITIONS OF THE GUARANTEE

- 3.1 The Guarantor hereby irrevocably and unconditionally undertakes to pay to the Security Agent, upon the Payment Demand, and in accordance with the conditions set out here below, all sums which the Security Agent may claim hereunder up to a maximum amount of principal of ten million euro (EUR 10,000,000.00), or the equivalent thereof in another currency, plus any interest, taxes or fiscal charges, duties, expenses, fees, rights, levies, indemnities, damages.
- 3.2 Any Payment Demand made by the Security Agent to the Guarantor under this Guarantee shall be made by way of a written notification addressed by the Security Agent to the Guarantor, sent in accordance with the provisions set forth in Clause 14 below and having the following content (each a “**Notification**”):
- (a) specifying that the Security Agent is making a Payment Demand under this Guarantee;
 - (b) specifying the amount due and payable by the Guarantor as well as the currency of payment of such sums; and
 - (c) providing details of the relevant bank account into which payment should be made, together with relevant instructions as to how payment should be made (if any),
- it being understood that:
- (d) the Security Agent shall be under no obligation to provide the Guarantor with any additional document nor to support its claim with any other justification or evidence; and
 - (e) the payment obligation of the Guarantor under this Guarantee is not subject to the accuracy or the merit of any statement, declaration or information contained in any Notification.
- 3.3 The Guarantor shall make the payment requested in the Notification within two (2) Business Days as from the date of receipt (included) of the relevant Notification and in the currency as requested within the Notification. The Security Agent is entitled to request the payment of any amount in one or several instalments.
- 3.4 The Guarantor shall ensure that, so long as any of the Bonds are outstanding, but only up to the time all amounts of principal and interest have been placed at the disposal of the Paying Agent, the Issuer is at all times an Affiliate of the Guarantor.

4. GUARANTEE LIMITATIONS

The obligations and liabilities of and the guarantee issued by the Guarantor under this Guarantee shall be limited if required (but only if and to the extent required) under any applicable law or regulation in the jurisdiction in which the Guarantor is incorporated, including but not limited to the provisions set forth in Annex 1.

5. PAYMENT

- 5.1 The Guarantor shall immediately upon receipt of a Payment Demand by the Security Agent make any payment due under this Guarantee to the Security Agent as representative for the Secured Creditors.

5.2 All moneys received by the Security Agent, or its designee, in exercise of its rights under this Guarantee shall be applied by the Security Agent in discharge of the Guaranteed Obligations in accordance with the terms of the Terms and Conditions.

5.3 All payments by the Guarantor under this Guarantee shall be paid to the account designated by the Security Agent in full, free of any present or future taxes, levies, duties, charges, fees or withholdings and without any deductions, restrictions, conditions, liens, set off or counterclaim whatsoever from the Guarantor.

6. SPECIAL UNDERTAKINGS

The Guarantor hereby undertakes to comply with the special undertakings set out in the conditions 11.3 (*Negative pledge*), 11.4 (*Mergers*), 11.5 (*Dealings with related parties*), 11.6 (*Compliance with laws*), 11.7 (*Financial reporting and information*), 11.8 (*Agent Agreement*) of the Terms and Conditions.

7. CONTINUING GUARANTEE

7.1 Subject to Clauses 10 and 12, this Guarantee shall be a continuing guarantee and shall not be affected in any way by any variation, extension, waiver, compromise, release or discharge in whole or in part of the Guaranteed Obligations, any Guaranteed Document or of any security or guarantee from time to time therefore. To the extent it can be avoided by any action of the Guarantor or otherwise, this Guarantee shall not be affected by any change in the laws, rules or regulations of any jurisdiction or by any present or future action of any governmental authority or court.

7.2 This Guarantee shall be in addition to and independent of any other guarantee, pledge or other security given or held by any other Secured Creditor in respect of the Guaranteed Obligations.

8. IMMEDIATE RECOURSE

8.1 The Guarantor waives any right it may have of first requiring any Secured Creditor (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Guarantor under this Guarantee.

8.2 This waiver applies irrespective of any law or any provision of a Guaranteed Document to the contrary.

9. WAIVER

9.1 Until the Guaranteed Obligations have been irrevocably paid in full, the Guarantor undertakes not to exercise any right:

- (a) of recourse or subrogation;
- (b) to be indemnified by an Obligor; or
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Creditors or of any Secured Creditor,

it may have by reason of performance of its obligations under this Guarantee.

- 9.2 Accordingly, the Guarantor acknowledges that it cannot raise any objection, ground or plea of any kind, in particular based on the Guaranteed Documents, to refuse or delay the performance of its obligations under this Guarantee and/or any payment to be made by it under this Guarantee. In particular, but without limitation, the Guarantor acknowledges that its obligations to make payments hereunder are independent from (i) the validity, regularity and/or enforceability of the Guaranteed Documents and the rights and obligations of the Issuer thereunder, (ii) any absence of action by the Security Agent against the Issuer to enforce the Security Agent's rights under the Guaranteed Documents, (iii) any waiver or consent given by the Security Agent with respect to any provisions of the Guaranteed Documents, (iv) the occurrence of any event whatsoever which could prevent the Issuer from performing any of its obligations, including its payment obligations, under the Guaranteed Documents, including in relation to the opening of any voluntary or judicial insolvency proceedings in any jurisdiction, (vi) any other circumstances which might otherwise constitute a legal discharge of or a defence for the Guarantor.

10. RELEASE

When all the Guaranteed Obligations have been duly and irrevocably paid and discharged in full the Security Agent shall, upon the Issuer's written request and expense, promptly release the Guarantor from its obligations under this Guarantee. However, if any of the Guaranteed Obligations was only temporarily satisfied or maybe set aside by an insolvency administrator or may otherwise be avoidable, the Guarantee shall continue in full force and effect. Notwithstanding the foregoing, any payment of the Guaranteed Obligations shall be considered final if a period of three (3) months has elapsed since the date thereof during which no proceedings have been initiated in respect of the Guarantor or any of its assets under the Bankruptcy Act (2004/120, as amended, in Finnish: konkurssilaki), the Company Reorganisation Act (1993/47, as amended, in Finnish: laki yrityksen saneerauksesta) or the Enforcement Code (2007/705, as amended, in Finnish: ulosottoaari) or any other applicable insolvency legislation in Finland or elsewhere.

11. COSTS AND EXPENSES

All costs and expenses (including legal fees and other out of pocket expenses and value added tax or other similar tax thereon) reasonably incurred by the Security Agent in connection with (i) the execution, preservation or enforcement of this Guarantee, and (ii) any amendment, consent, suspension or release of rights (or any proposal for the same) requested by the Guarantor relating to this Guarantee shall be borne by the Guarantor and the Guarantor shall upon demand indemnify and hold the Security Agent harmless in respect of such reasonable costs and expenses.

12. ASSIGNMENTS

- 12.1 The Security Agent may assign and transfer all or a part of its rights, claims and obligations under this Guarantee to any assignee or successor appointed in accordance with the Terms and Conditions.
- 12.2 For the avoidance of doubt, any assignment or transfer of all rights, claims and obligations under the Guaranteed Documents made by the Security Agent or any other Secured Creditor in accordance with such Guaranteed Documents shall take effect as an assignment

and assumption and transfer of all such Secured Creditor's rights and obligations under this Guarantee.

- 12.3 The Guarantor may not assign or transfer any part of its rights, benefits, claims or obligation under this Guarantee.

13. DURATION

- 13.1 The Guarantee takes effect on the Issue Date.
- 13.2 The Guarantee shall expire upon the full and unconditional repayment of the Guaranteed Obligations (the "**Expiry Date**").
- 13.3 After the Expiry Date, the Guarantor shall be discharged from all obligations under this Guarantee.

14. NOTICE

- 14.1 Any notice, communication or demand (including a claim hereunder) to be given to each Party in connection with this Guarantee shall be in writing and delivered by hand, email, registered post or courier in accordance with this Clause.
- 14.2 The address of each Party to this Guarantee in respect of any notice and communications under this Guarantee is as follows:

(a) Guarantor

Address: Varastokatu 8, 05800 Hyvinkää, Finland

Attention: [●]

(b) Issuer

Address: Kankurinkatu 4-6, 05800 Hyvinkää, Finland

Attention: [●]

(c) Security Agent

Address: [●]

Attention: [●]

- 14.3 Any notice or other communication made by one Party to another Party under or in connection with this Guarantee will only be effective:

- (a) in case of courier personal delivery, when it has been left at the address specified in this Guarantee;
- (b) in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in this Guarantee; or
- (c) in case of email, when received in legible form by the email address specified in this Guarantee.

15. MISCELLANEOUS

- 15.1 For the avoidance of doubt, the Guarantee shall not, in any manner whatsoever and for whatever reason, be construed as a *cautionnement* under articles 2011 et seq. of the Luxembourg Civil Code or as any other ancillary or similar undertaking.
- 15.2 No delay or omission in exercising any powers or privileges under this Guarantee shall be construed as a waiver thereof. Any exercise of any part of the rights shall not preclude subsequent enforcement of any such rights which have not, or have not fully, been exercised.
- 15.3 No amendment to this Guarantee shall be effective against any Party unless made in writing and signed by each of the Parties hereto, notwithstanding any decision by the Secured Creditors changing or amending the Terms and Conditions with regard to this Guarantee.
- 15.4 An original copy of this Guarantee is kept by the Security Agent at all times.

16. COUNTERPARTY

This Agreement may be executed in any number of counterparts each of which when executed and delivered shall be an original, but all counterparts together shall constitute one and the same instrument.

17. SEVERABILITY

Should any provision of this Guarantee be or become invalid, ineffective or unenforceable as a whole or in part, the validity, effectiveness and enforceability of the remaining provisions shall not be affected thereby. Any such invalid, ineffective or unenforceable provision shall be deemed replaced by such valid, effective and enforceable provision as comes closest to the economic intent and purpose of such invalid, ineffective or unenforceable provision as regards subject-matter, amount, time, place and extent. The aforesaid shall apply *mutatis mutandis* to any gap in this Guarantee.

18. GOVERNING LAW

This Guarantee is governed by the laws of Finland without regard to its principles and rules on conflict of laws. The Finnish Act on Guarantees and Third Party Pledges (361/1999, as amended, in Finnish: laki takauksesta ja vierasvelkapanttauksesta) shall not apply to the Guarantee constituted hereunder.

19. JURISDICTION

- 19.1 Subject to Clause 19.2, all disputes arising in connection with this Guarantee shall be submitted to the competent courts of Finland, with the Helsinki District Court as the court of first instance.
- 19.2 The submission all disputes arising in connection with this Guarantee to the jurisdiction of Finland shall not limit the right of the Security Agent or any court which may otherwise exercise jurisdiction over the Guarantor or any of its assets.

The Parties have executed this Guarantee in three (3) originals.

[Remainder of page intentionally left blank; signature pages to follow]

[Signature pages of the guarantee]

Reka Cables Ltd

as Guarantor

By:

Title:

By:

Title:

**Greenmarck Restructuring Solutions
GmbH**

as Security Agent

By:

Title:

Neo Industrial Plc

as Issuer

By:

Title:

By:

Title:

Annex 1 – Limitations of the Guarantor's Liability

The scope of the Guarantee shall be limited if and only to the extent that it would (i) constitute financial assistance within the meaning of Section 10 of Chapter 13 of the Finnish Companies Act (in Finnish: osakeyhtiölaki, statute 624/2006, as amended), (ii) constitute unlawful distribution of assets within the meaning of Section 1 of Chapter 13 of the Finnish Companies Act or (iii) be prohibited due to any other mandatory provision of the Finnish Companies Act.

TAXATION

Tax Consideration

The following discussion of the tax consequences of an investment in the Notes is based on the laws in force on the date of this Offering Circular. The Issuer emphasizes that tax implications can be subject to alteration due to future changes in law, possibly with retroactive or retrospective effect.

Although this discussion reflects the opinion of the Issuer, it should not be misunderstood as a guarantee in an area of law which is not free from doubt. Further, this discussion is not intended as the sole basis for an investment in the Notes as the individual tax position of the Bondholders needs to be investigated.

Prospective Bondholders are recommended to consult their own tax advisors regarding the tax consequences of an investment in the Notes.

Responsibility of the Issuer for the withholding of taxes at source

The Issuer does not assume any responsibility for the withholding of taxes at source.

FINNISH TAXATION

Finnish Tax Consideration

The following overview is based on the tax laws of Finland as in effect on the date of this Prospectus, and is subject to changes in Finnish law, including changes that could have a retroactive effect. The following overview does not take into account or discuss the tax laws of any country other than Finland and does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Bonds and does not purport to deal with the tax consequences applicable to all categories of Bondholders, some of which may be subject to special rules. Prospective investors in the Bonds are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Bonds.

Bondholders Resident in Finland

If the recipient of interest paid on the Bonds is an individual residing in Finland or an undistributed estate of a deceased Finnish resident, interest is when paid subject to advance withholding tax in accordance and final taxation as capital income. The current rate of withholding tax is 30 per cent. The capital income tax is 30 per cent (34 per cent of capital income exceeding EUR 30,000). The Finnish Act on Source Tax on Interest Income (Fi: *laki korkotulon lähdeverosta*) is not applicable to the Bonds.

If the Bonds are disposed of during the loan period, any capital gain as well as accrued interest received (secondary market compensation) is taxed as capital income. An advance withholding tax must be deducted from the secondary market compensation paid to an individual residing in Finland or an undistributed estate of a deceased Finnish resident.

An individual residing in Finland or an undistributed estate of a deceased Finnish resident may deduct eventual capital losses primarily from its taxable capital gains and secondarily from its other taxable capital income in the year of disposal and in the five subsequent calendar years. If Bonds are acquired in the secondary market, any accrued interest paid (secondary market compensation) is deductible from the capital income or, to the extent exceeding capital income, from earned income subject to the limitations of the Finnish Income Tax Act (Fi: *tuloverolaki*).

If the recipient of interest paid on the Bonds is a corporation further defined in the Finnish Income Tax Act residing in Finland, such interest is subject to final taxation of the recipient in accordance with the Finnish Business Income Tax Act (Fi: *laki elinkeinotulon verottamisesta*) or the Finnish Income Tax Act. Any gain or loss realised following a disposal of the Bonds is taxable income or a tax deductible loss for the relevant Bondholder. The current rate of corporate income tax is 20 per cent.

Non-Resident Bondholders

Bondholders who are not resident in Finland for tax purposes and who do not engage in trade or business through a permanent establishment or a fixed place of business in Finland will not be subject to Finnish taxes on interest or gains realised on the sale or redemption of the Bonds. Interest payments may, however, be subject to Finnish withholding tax, unless the identity of the Bondholders can be appropriately established.

LUXEMBOURG TAXATION

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Bonds should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding tax or a tax of a similar nature refers to Luxembourg tax law and/or concepts only.

Withholding Tax

Non-resident Bondholder

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident Bondholder, nor on accrued but unpaid interest in respect of the Bonds, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Bonds held by non-resident Bondholder.

Resident Bondholder

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 introducing a final withholding tax on certain interest deriving from savings income, as amended (the “**Relibi Law**”), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident Bondholder, nor on accrued but unpaid interest in respect of Bonds, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Bonds held by Luxembourg resident Bondholder.

Under the Relibi Law payments of interest or similar income made or ascribed by a paying agent (all terms in the sense of the Relibi Law) established in Luxembourg to or for the benefit of an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of currently 20%. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth (the “**20% Withholding Tax**”). Responsibility for the withholding of such tax will be assumed by the Luxembourg paying agent. Accordingly, payments of interest under the Bonds coming within the scope of the Law will be subject to a withholding tax at a rate of currently 20%.

An individual beneficial owner of interest or similar income who is a resident of Luxembourg and acts in the course of the management of his private wealth may opt for a final withholding tax of 20 % when he/she receives or is deemed to receive such interest or similar income from a paying agent established in another EU Member State (other than Luxembourg) or in a State of the European Economic Area (which is not an EU Member State) (the “**Self-Assessed 20% Withholding Tax**”).

FATCA DISCLOSURE

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a foreign financial institution (as defined by FATCA) may be required to withhold on certain payments it makes (foreign passthru payments) to persons that fail to meet certain certification, reporting or related requirements. The issuer may be a foreign financial institution for these purposes. A number of jurisdictions have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (IGAs), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. On 13 December 2018, the Treasury and the Internal Revenue Service issued Proposed Regulations (REG-132881-17) under FATCA, eliminating withholding on the payments of gross proceeds and deferring withholding on foreign passthru payments. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to the date that is two years after the date on which final regulation defining foreign passthru payments are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding, in either case unless materially modified after such date (including by reason of a substitution of the issuer). However, if additional Notes (as described under “Further Issues” in the relevant Terms and Conditions) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Bondholders should consult their own tax advisers regarding how these rules may apply to their investment in Notes.

The proposed financial transactions tax (FTT)

On 14 February 2013, the European Commission published a proposal (the Commission’s Proposal) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the participating Member States). However, Estonia has since stated that it will not participate.

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission’s Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be,

“established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional European Union Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

SALES AND TRANSFER RESTRICTIONS

General

The distribution of this Prospectus as well as the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this document comes are required by the Issuer to inform themselves about and to observe any such restrictions.

The Bonds will be offered by the Issuer to Bondholders in the jurisdiction specified in the Terms and Conditions at the Offer Price. The Issuer will use this Prospectus for the placement in such jurisdictions. The Issuer shall not be obliged to sell all or any of the Bonds.

The Issuer will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it offers, sells or delivers Bonds or has in its possession or distributes this Prospectus or any part thereof or any other offering material.

European Economic Area

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 (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 MiFID II; or (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 the Prospectus Regulation. In addition, the Bonds provide for debt obligations of the Issuer and the Guarantor with no exposure by investors to reference values or assets other than the assets and business operations of the Issuer and the Guarantor. Consequently, no key information document required by Regulation (EU) No. 1286/2014 (the “**PRIPs Regulation**”) for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared.

United States

The Bonds have not been and will not be registered under the Securities Act or under the securities law of any state or political sub-division of the United States. No person has registered nor will register as a commodity pool operator of the Issuer under the United States Commodity Exchange Act of 1936, as amended (the “**CEA**”) and the rules thereunder (the “**CFTC Rules**”) of the Commodity Futures Trading Commission (the “**CFTC**”), and the Issuer has not been and will not be registered under the United States Investment Issuer Act of 1940, as amended, nor under any other United States federal laws. The Bonds are being offered and sold in reliance on an exemption from the registration requirements of the Securities Act pursuant to Regulation S.

Accordingly, the Bonds may not be offered, sold, pledged or otherwise transferred except in an “Offshore Transaction” (as such term is defined under Regulation S) to or for the account or benefit of a Permitted Transferee. The following definitions shall apply for the purposes of this United States selling and transfer restriction: “**Permitted Transferee**” means any person who is not:

- (a) a U.S. person as defined in Rule 902(k)(1) of Regulation S; or
- (b) a person who comes within any definition of U.S. person for the purposes of the CEA or any CFTC Rule, guidance or order proposed or issued under the CEA (for the avoidance of doubt, any person who is not a “Non-United States person” as such term is defined under CFTC Rule 4.7(a)(1)(iv), but excluding, for purposes of subsection (D) thereof, the exception for qualified eligible persons who are not “Non-United States persons”, shall be considered a U.S. person).

Transfers of Bonds within the United States or to any person other than a Permitted Transferee are prohibited. Any transfer of Bonds to a person other than a Permitted Transferee (a “**Non-Permitted Transferee**”) will be void *ab initio* and of no legal effect whatsoever. Accordingly, any purported transferee of any legal or beneficial ownership interest in a Unit in such a transaction will not be entitled to any rights as a legal or beneficial owner of such interest in such Unit. The Issuer shall have the right at any time after becoming aware that any legal or beneficial ownership interest in a Unit is held by a Non-Permitted Transferee to require such Non- Permitted Transferee to sell such interest to (i) an affiliate of the Issuer (to the extent permitted by applicable law); or (ii) a person who is not a Non-Permitted Transferee, in each case in accordance with Condition 7.4. The foregoing restrictions on the offer, sale, pledge or other transfer of Bonds to a Non-Permitted Transferee may adversely affect the ability of an investor in the Bonds to dispose of the Bonds in the secondary market, if any, and significantly reduce the liquidity of the Bonds. As a result, the value of the Bonds may be materially adversely affected.

The Bonds have not been approved or disapproved by the United States Securities and Exchange Commission (“**SEC**”) or any other regulatory agency in the United States, nor has the SEC or any other regulatory agency in the United States passed upon the accuracy or adequacy of this document or the merits of the Bonds. Any representation to the contrary is a criminal offence. Furthermore, the Bonds do not constitute, and have not been marketed as, contracts for the sale of a commodity for future delivery (or options thereon) subject to the CEA, and neither trading in the Bonds nor this document has been approved by the CFTC under the CEA, and no person other than a Permitted Transferee may at any time trade or maintain a position in the Bonds.

United Kingdom selling restrictions

This Prospectus is directed only at persons (i) who are outside the United Kingdom or (ii) who have professional experience in matters relating to investments falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Order**”) or (iii) who fall within article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc.”) of the Order (all such persons together being referred to as “**Relevant Persons**”). Any person who is not a Relevant Person must not act or rely on this communication or any of its contents. Any investment or investment activity to which this communication relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

Switzerland

This Prospectus does not constitute an “offering prospectus” under article 1156 of the Swiss Code of Obligations and no such offering prospectus will be prepared. Accordingly, the Bonds will not be offered to the public in Switzerland.

GENERAL INFORMATION

1. This Prospectus and the issue of the Bonds were presented to the Board of Directors of the Issuer and approved by a resolution of the Board of Directors of the Issuer passed on or about 2 December 2019.
2. The Issuer is incorporated as a public limited company under Finnish law, pursuant to the Finnish companies act (the “**Finnish Companies Act**”).
3. There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had since since 30 September 2019, a significant effect on the financial position or profitability of the Issuer.
4. So long as any Bonds are outstanding, copies of the following documents (in English or French) can be obtained from the Issuer’s website at <https://www.neoindustrial.fi/en>
 - (i) this Prospectus and any supplement thereto;
 - (ii) the articles of association of the Issuer;
 - (iii) the articles of association of the Guarantor,
 - (iv) as soon as published, any future audited consolidated financial statements of the Issuer; and
 - (v) as soon as published, any future financial statements of the Guarantor.

This Prospectus and any supplement thereto will also be available on the website of the Luxembourg Stock Exchange (www.bourse.lu).
5. The Bonds may be accepted for clearance through Euroclear and/or Clearstream, Luxembourg or any other alternative clearing system. The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking S.A., 42, Avenue JF Kennedy, L-1855 Luxembourg.
6. No consents, approvals, authorisations or other orders of any regulatory authorities in Luxembourg are required by the Issuer under the laws of Luxembourg in respect of the offering, issuance and sale of the Bonds.

ISSUER

Neo Industrial Plc

Kankurinkatu 4-6
05800 Hyvinkää
Finland

LEAD MANAGER

STX Fixed Income (NL)

Vijzelstraat 79
1017 HG Amsterdam
The Netherlands

ISSUING AND PAYING AGENT AND CALCULATION AGENT

Banque Internationale à Luxembourg S.A.

69, route d'Esch, L-2953 Luxembourg

HOLDERS' AGENT AND SECURITY AGENT

Greenmarck Restructuring Solutions GmbH

Widenmayerstraße 16, 80538 Munich, Germany

LEGAL ADVISERS

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as to Luxembourg law:*

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*Société Anonyme
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44, Avenue John F. Kennedy
L-1855 Luxembourg

*To the Issuer, the Pledgor and the Guarantor
as to Finnish law:*

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PO Box 233 (Eteläesplanadi 14)
FI-00131 Helsinki
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