

FREQUENTLY ASKED QUESTIONS (FAQs)

1. What is the purpose of the Compulsorily Convertible Debenture (CCD) issuance?
The purpose of the CCD issuance is to enhance Tecnotree's research and development efforts, expansion of existing business lines, broaden its product portfolio, finance mergers and acquisitions and other activities as specified in the final terms of the CCDs.
2. How much is the total value of the CCD issuance?
The total value of the CCD issuance is EUR 50 million, which may be extended up to EUR 60 million, based on shareholder response.
3. Who is eligible for the CCD subscription?
The CCDs will be offered for subscription to the current shareholders of Tecnotree as on the date of issuance of the CCDs.
4. What happens if there's over-subscription?
In the event of over-subscription, the CCDs will be allocated proportionately to subscribers based on their shareholding in the Company on the date of issuance of the CCDs.
5. What is the interest rate on these CCDs?
The CCDs will accrue 0.01% per annum interest.
6. What is the term for these CCDs?
The CCDs will be valid for a term of 5 (five) years.
7. Can these CCDs be transferred?
Yes, the CCDs will be transferable among the existing Tecnotree shareholders. The Company should be notified of the same along with KYC and the banking details of the new owner to allow for payment of interest.
8. What is the conversion period for these CCDs?
The conversion period commences on the third anniversary of the date of issuance and ends on the fifth anniversary of the date of issuance.
9. What is the conversion price of these CCDs?
The conversion price of these CCDs will be the lower of (i) 5% less than the 10-day moving average of the Tecnotree share price from the date of request for conversion, or (ii) EUR 0.569.

Illustration 1: If Conversion Price is lower than EUR 0.569

Assumption: If the 10-day moving average is EUR 0.45, the conversion price is determined as the lower of:

1. 5% less than the 10-day moving average of Tecnotree share price, which would be $0.45 * 0.95 = \text{EUR } 0.4275$; or
2. A fixed price of EUR 0.569

In this case, since EUR 0.4275 (5% less than the 10-day moving average of the share price) is lower than EUR 0.569, so we use EUR 0.4275 as the conversion price.

Hence, 1 (one) Note will convert into $100,000 / 0.4275 = 233,919$ Tecnotree shares.

Illustration 2: If Conversion Price is EUR 0.569

Assumption: If the 10-day moving average is EUR 0.80, the conversion price is determined as the lower of:

1. 5% less than the 10-day moving average of the share price, which would be $0.80 * 0.95 = \text{EUR } 0.76$; or
2. A fixed price of EUR 0.569

In this case, EUR 0.569 is lower than EUR 0.76, so we use EUR 0.569 as the conversion price.

Hence, 1 (one) Note will convert into $100,000 / 0.569 = 175,747$ Tecnotree shares.

10. What is the minimum subscription for these CCDs?

The minimum subscription for the CCDs is EUR 100,000, which represents 1 (one) Note.

11. Are the CCDs automatically converted into shares?

The subscriber will have the option to convert the CCDs into shares from the third anniversary of the issue date. The CCDs will convert compulsorily into shares of Tecnotree on the fifth anniversary of the issue date.

12. How can I subscribe to the CCDs?

Interested shareholders of the Company may download the subscription form available at <https://www.tecnotree.com/releases/stock-release-downloads/> and sign and submit the same via email to investor.relations@tecnotree.com during the subscription period from 22nd June 2023 to 06th July 2023.

13. When do I need to subscribe to the CCDs? When will the allotment of CCDs be completed? What is the date on which I am required to make the payment for the CCDs?

Interested shareholders may subscribe to the CCDs during the subscription period from 22nd June 2023 to 06th July 2023. The allotment of the CCDs will be completed within 7 (seven) days from the end of the subscription period at the latest. The payment for the CCDs needs to be made within 5 (five) days from the date of allotment.

14. What languages is the subscription form available in?

The subscription form is available in both English and Finnish.

15. What is the term of the Warrants?

Each Warrant will be valid for a term of 5 years.

16. When will the Warrants be issued and exercisable into shares?

The Warrants will be issued simultaneously with the CCDs and can be exercised into shares any time before the fifth anniversary from the date of issuance.

17. What is the strike price for the Warrants?

The strike price for each Warrant is EUR 0.90 per share.

18. What rights do the Warrant holders have?

Each Warrant entitles its holder to subscribe to 1 (one) share of Tecnotree at a strike price of EUR 0.90 per share.

19. Where can I find the final terms and conditions for the CCDs and Warrants?

The final terms and conditions for the CCDs and Warrants will be available at <https://www.tecnotree.com/releases/stock-release-downloads/> in both English and Finnish.

20. What are the potential risks of investing in these CCDs?

As is common with all types of investments, there are inherent risks. Since the CCDs are unsecured and rank lower than other debt obligations of Tecnotree, the investors might face a potential loss if Tecnotree fails to meet its obligations.

21. Are the CCDs listed on any exchange?

No, the CCDs will not be listed on any exchange.

22. What does the conversion of the CCDs into shares mean to me as an investor?

Conversion means that the CCDs you hold will be turned into equity shares of Tecnotree at the prevailing conversion price.

23. Who can I contact for more information about this CCD issuance?

For more information, you can contact investor.relations@tecnotree.com.

24. What are the benefits of issuing CCD by a company?

I. Lower cost of capital:

a) CCDs with a negligible coupon rate allow companies to raise funds at a lower cost of capital compared to traditional debt instruments, as the interest expense is minimized during the investment period.

II. Access to funds with delayed dilution of ownership:

a) It will allow the Company to improve its enterprise value as on 22nd June 2023 prior to dilution.

25. How did the Company ensure equal treatment of shareholders through the process of issuance of CCDs?

I. The subscription is offered equally to all shareholders and if fully subscribed it shall be in proportion to their shareholdings;

II. While evaluating the CCD issuance and its pricing, the Board of Directors of the Company sought independent external advise that found the issuance of the CCDs to be fair; and

III. The terms of the CCD issuance are the same for all shareholders of the Company.

26. How much will the CCD dilute the ownership of the existing shareholders?

Assuming the issuance of 500 Notes (valued at EUR 50 million in total) and given the closing price of the Company's shares on the Nasdaq Helsinki Stock Exchange on 17th of April 2023 (i.e., EUR 0.569), the CCDs will convert into a minimum of 87,873,462 shares in Tecnotree (representing around 21.60% dilution to Tecnotree's current share amount). The final dilution may, however, be higher depending on the final conversion price as mentioned in the above paragraph.