

## **The proposals of the Board of Directors to the Extraordinary General Meeting on 29 October 2020**

### **Authorizing the Board of Directors to resolve on a rights issue**

Componenta announced its plans to arrange a rights issue on 5 October 2020. The company has received commitments from Joensuun Kauppa ja Kone Oy, Etra Capital Oy and Harri Suutari (Chairman of the Board of Directors of Componenta Corporation), whose shares represent approximately 21% of all shares and votes Componenta at the time of this notice, to vote in favor of the board's proposals at the Extraordinary General Meeting and to participate in the rights issue at least in proportion to their shareholding in the company. If the Extraordinary General Meeting grants the board the requisite share issue authorization, the rights issue is intended to be carried out by the end of year 2020.

The Board of Directors proposes to the Extraordinary General Meeting that it would authorize the Board of Directors to resolve on the issuance of a maximum of 237,269,224 new shares to carry out the above-mentioned rights issue. The shares are offered for subscription to the shareholders of the company in proportion to their shareholding in the company as per the record date of the rights issue. The authorization includes the right for the Board of Directors to resolve to offer, on a secondary basis, the potentially unsubscribed shares to the other shareholders or other persons for subscription. The authorization may only be used to carry out one rights issue. The Board of Directors is authorized to resolve on all other terms and conditions of the rights issue.

The authorization is proposed to be valid until the close of the next Annual General Meeting, however, no longer than until 30 June 2021. The authorization does not revoke the share issue authorizations resolved upon earlier.

### **Resolution to carry out a reverse share split and thereto related redemption of shares and authorizing the Board of Directors to resolve on the directed share issue**

The Board of Directors proposes that the Extraordinary general meeting resolve that the number of shares in the company be reduced without reducing the share capital. The arrangement is proposed to be carried out by conveying company's new shares and by redeeming company's shares to the effect, that each fifty (50) shares of the company are merged into one (1) share.

In order to avoid share fractions the Board of Directors proposes that the Board of Directors is authorized to resolve on a directed share issue in which new shares are conveyed without compensation to the effect that, the number of shares in each shareholders book-entry account is made divisible by 50 on the reverse split date later resolved by the Board of Directors ("Reverse Split Date"). The maximum number of shares conveyed to the shareholders by the company is 49 times amount of such book-entry accounts in which company's shares are preserved on the Reverse Split Date. The maximum amount of share issue authorization is proposed to be 400 000 shares. The maximum amount is based on the Board of Director's assessment related to the number of shareholders at the date of this proposition. The authorization is proposed to be valid until the close of the next Annual General Meeting, however, no longer than until 30 June 2021. The authorization does not revoke the share issue authorizations resolved upon earlier. The Board of Directors is authorized to resolve on all the matters related to the conveyance carried out without compensation within the limits of the proposed authorization.

Concurrently with the above-mentioned conveyance of the company's new shares the company will on the Reverse Split Date redeem without compensation from each shareholder a number of shares determined by redemption ratio 49/50, meaning, that for each 50 existing shares the company will redeem 49 shares. The Board of Directors of the company has the right to resolve on all other matters with respect to the redemption of shares. The shares redeemed without compensation in connection with the reduction of number of shares will be cancelled immediately after the redemption in accordance with the resolution of the Board of Directors.

The purpose of merging the shares is to facilitate trade in the company's shares by increasing the value of

an individual share and to contribute the shares' efficient price formation. The Board of Directors thus holds that merging the shares is in the interest of the company and all of its shareholders and that the company therefore has a particularly weighty financial reason for the reverse share split and the related redemption of shares and the directed share issue. The reverse share split does not affect the company's equity.

The reverse share split will be executed in the book-entry system after the close of trading on the Reverse Split Date later resolved by the Board of Directors. If necessary, the trading with the company's share on Nasdaq Helsinki Ltd. shall be temporarily interrupted in order to perform necessary technical measures in the trading facility after the reverse split date.

The Board of Directors intends to carry out the reverse share split after execution of the proposed rights issue. If implemented, the directed share issue and the reverse share split will not require any measures from shareholders.