

## TERMS AND CONDITIONS OF THE OFFERING

### Overview of the Offering

On 17 May 2024, the Extraordinary General Meeting of Shareholders of Exel Composites Plc (“**Exel Composites**” or the “**Company**”) authorised the Board of Directors of the Company to decide on a new share issue of up to 265,000,000 shares. In the share issue, the shareholders of the Company will have a pre-emptive right to subscribe for new shares in proportion to their existing shareholdings in the Company. The Company’s Board of Directors was also authorised by the Extraordinary General Meeting of Shareholders to decide upon other terms and conditions of the share issue. The objective of the Offering is to strengthen Exel Composites’ capital structure and expedite the implementation of the Company’s transformative strategy. Through the Offering, the Company seeks to ensure sufficient working capital as well as to accelerate necessary growth investments and the optimization of its factory network to gain efficiencies and to finance working capital needs for the expected business growth. In addition, the Company seeks to strengthen its capital structure as well as to improve its cash flow and profitability through debt repayments.

On 17 May 2024, the Board of Directors of the Company resolved, based on the authorisation granted by the Extraordinary General Meeting of Shareholders, to issue a maximum of 94,831,552 new shares in the Company (the “**Offer Shares**”) in the offering for consideration based on the pre-emptive subscription right of the shareholders (the “**Offering**”) as set forth in these terms and conditions.

As a result of the Offering, the total number of the shares in the Company (the “**Shares**”) may increase from 11,896,843 Shares (the “**Existing Shares**”) to a maximum of 106,728,395 Shares. Assuming that the Offering is fully subscribed, the Offer Shares represent approximately 797.1 per cent of the existing outstanding Shares and votes in the Company prior the Offering, and approximately 88.9 per cent of all outstanding Shares and votes in the Company after the completion of the Offering.

### Subscription Rights

Shareholders of Exel Composites registered in the Company’s shareholders’ register maintained by Euroclear Finland Ltd (“**Euroclear Finland**”) on the record date of the Offering 21 May 2024 (the “**Record Date**”) will receive one (1) subscription right in the form of a book entry (the “**Subscription Right**”) for each share of the Company owned by the shareholder on the Record Date. No Subscription Rights will be allocated to the Shares held by the Company in treasury. See also section “– *Shareholders resident in certain Unauthorised Jurisdictions*” below.

The Subscription Rights will be registered on the shareholders’ book entry accounts on 22 May 2024 in the book entry system maintained by Euroclear Finland.

Each one (1) Subscription Rights entitle to subscribe for eight (8) Offer Shares at the Subscription Price (as defined below) (the “**Primary Subscription Right**”). No fractions of the Offer Shares will be allotted, and a Subscription Right cannot be exercised partially. If the Offer Shares are not fully subscribed for pursuant to the Primary Subscription Right, both holders of Subscription Rights and investors who do not hold Subscription Rights have the right to subscribe for such Offer Shares (the “**Secondary Subscription Right**”). Offer Shares potentially remaining unsubscribed under the Primary Subscription Right and Secondary Subscription Right may be directed for subscription as resolved by the Board of Directors. See also “*Plan of Distribution in the Offering – Subscription Undertakings*” and “– *Allocation of Offer Shares Subscribed for without Subscription Rights*”.

The Subscription Rights will be publicly traded on the official list of Nasdaq Helsinki Ltd (the “**Helsinki Stock Exchange**”) from 24 May 2024 to 3 June 2024.

The subscription period will commence on 24 May 2024 at 9:30 a.m. Finnish time and end on 7 June 2024 at 4:30 p.m. Finnish time (the “**Subscription Period**”). The Board of Directors is entitled to extend the Subscription Period. Any extension will be announced by the Company through a stock exchange release no later than on 7 June 2024. Upon expiry of the Subscription Period, unexercised Subscription Rights will lapse and will be removed from the investor’s book entry account without notification. If the Offering would be cancelled, the Subscription Rights could not be exercised and would have no value. See also “– *Approval of Subscriptions and Publication of the Outcome in the Offering*” and “– *Other Issues*” below as well as “*Plan of Distribution in the Offering*”.

In order to ensure that the Subscription Rights do not remain unexercised and lapse without value, the holder must either:

- exercise the Subscription Rights to subscribe for the Offer Shares no later than on 7 June 2024, in accordance with the terms and conditions of the Offering and instructions from the shareholder's account operator, custodian or nominee; or
- sell the Subscription Rights that have not been exercised no later than on 3 June 2024.

If a share in the Company entitling to a Subscription Right is pledged or subject to any other restrictions, the Subscription Right may not necessarily be exercised without the consent of the pledgee or the holder of any other right.

### **Subscription Undertakings**

Aktia Fund Management Company Ltd, on behalf of funds managed by it, and Veritas Pension Insurance Company Ltd., which (either themselves or through their controlled funds) together own approximately 8.18 per cent of all Shares in the Company, have subject to certain customary conditions on 24 April 2024 irrevocably undertaken to subscribe for Offer Shares in full on the basis of the Subscription Rights allocated to them (the "**Subscription Undertakings**"). See "*Plan of Distribution in the Offering*".

### **Subscription Price**

The subscription price is EUR 0.23 per Offer Share (the "**Subscription Price**").

The Subscription Price implies a customary discount compared to the theoretical ex rights price based on the closing price of the Shares on the Helsinki Stock Exchange on the trading day immediately preceding the decision on the Offering. The Subscription Price shall be recorded into the invested unrestricted equity reserve of the Company.

### **Record Date**

The Record Date of the Offering is 21 May 2024.

### **Subscription period**

The subscription period will commence on 24 May 2024 at 9:30 a.m. Finnish time and end on 7 June 2024 at 4:30 p.m. Finnish time. The Board of Directors is entitled to extend the Subscription Period. Any extension will be announced by the Company through a stock exchange release no later than on 7 June 2024.

Places of subscription (i.e., account operators, custodians and nominees) may require their customers to submit subscription orders on specified dates and times before trading in the Subscription Rights or the Subscription Period end. Such dates and times may be different from the end in trading in Subscription Rights and the end of the Subscription Period.

### **Trading in Subscription Rights**

Holders of Subscription Rights may sell their Subscription Rights at any time during the public trading of the Subscription Rights. Public trading of the Subscription Rights on the Helsinki Stock Exchange commences on 24 May 2024 at 10:00 a.m. Finnish time and ends on 3 June 2024 at 6:30 p.m. Finnish time. The price of the Subscription Rights on the Helsinki Stock Exchange will be determined in market trading. Subscription Rights may be sold or purchased by giving a sell or purchase order to one's own custodian.

The ISIN code of the Subscription Rights on the Helsinki Stock Exchange is FI4000571138 and the trading code is "EXL1VU0124".

## **Subscription for Offer Shares with Subscription Rights (Primary Subscription Right)**

### ***Directly registered shareholders***

A shareholder may participate in the Offering by subscribing for the Offer Shares by using the Subscription Rights on the shareholder's book entry account and by paying the Subscription Price. However, this shall not apply to shareholders resident in certain Unauthorised Jurisdictions (as defined below). Shareholders may be required in connection with any such subscription to certify that they are not in an Unauthorised Jurisdiction. In order to participate in the Offering, a shareholder must give a subscription order in accordance with the instructions provided by the shareholder's own account operator or custodian.

Holders of Subscription Rights purchased on the Helsinki Stock Exchange must submit their subscription orders in accordance with the instructions given by their own book-entry account operator or custodian.

### ***Nominee-registered shareholders***

Shareholders and other investors participating in the Offering, whose Existing Shares in the Company or Subscription Rights are held through a nominee, must submit their subscription orders in accordance with the instructions given by their nominee or, if the holding is registered with more than one nominee, through each nominee. Subscription and payment must be made in accordance with instructions from the nominee. Banks and other nominees are required to read and comply with the restrictions described in the section "*Important Information*" and section "*– Shareholders resident in certain Unauthorised Jurisdictions*" below. Banks, custodians and other nominees may be required in connection with any such subscription to certify that shareholders on whose behalf they are holding the Shares or Subscription Rights, are not in an Unauthorised Jurisdiction.

### ***General***

Subscriptions must be submitted separately for each book entry account. Incomplete or erroneous subscriptions may be rejected. A subscription may be rejected if the subscription payment is not made according to these terms and conditions or if such payment is incomplete. In these situations, the subscription payment will be refunded to the subscriber. No interest will be paid on the refunded amount.

Any unexercised Subscription Rights will expire without value at the end of the Subscription Period on 7 June 2024 at 4:30 p.m. Finnish time.

### ***Payments for the subscriptions***

The Subscription Price of the Offer Shares subscribed for in the Offering shall be paid in full in euros at the time of submission of the subscription order in accordance with the instructions given by the account operator or the custodian.

A subscription will be deemed effected only after the arrival of the subscription form at the relevant account operator or custodian and of the payment of the Subscription Price in full.

### ***Interim Shares***

The Offer Shares subscribed for pursuant to the exercise of the Subscription Rights will be recorded on the subscriber's book entry account as interim shares representing the Offer Shares (the "**Interim Shares**") after the subscription has been effected.

In case the Offering is cancelled, the Subscription Price will be refunded to the holders of the Interim Shares. No interest will be paid on the refunded amount. See also "*– Approval of Subscriptions and Publication of the Outcome in the Offering*", "*– Withdrawal of Subscriptions in Certain Circumstances*" and "*– Other Issues*" below as well as "*Plan of Distribution in the Offering*".

The Interim Shares are combined with the Existing Shares of the Company (ISIN code FI0009007306, trading code "EXL1V") after the Offer Shares have been registered with the Finnish Trade Register maintained by the Finnish Patent and Registration Office (the "**Finnish Trade Register**"). Such combination is expected to occur on or about 14 June 2024.

### **Trading in Interim Shares**

The Interim Shares are freely transferable and trading in the Interim Shares on the Helsinki Stock Exchange, as a separate class of securities, is expected to take place during the period from and including 27 May 2024, up to and including 14 June 2024, under the trading code “EXL1VN0124”. The ISIN code of the Interim Shares is FI4000571146.

### **Subscription for the Offer Shares without Subscription Rights (Secondary Subscription Right)**

Subscription for the Offer Shares without Subscription Rights shall be effected by a shareholder and/or other investor by submitting a subscription order and simultaneously paying the Subscription Price in accordance with the instructions provided by his/her book entry account operator, custodian, or in case of nominee-registered holders, in accordance with instructions provided by the nominee. It may not be possible to provide a subscription on the basis of the Secondary Subscription Right via an equity savings account (the Finnish Act on Equity Saving Account, 680/2019) through certain account operators. In such case, shareholders should provide the secondary subscription via another book-entry account than the equity savings account.

The subscription order and payment shall be received by the shareholder’s and/or investor’s account operator, custodian or nominee on 7 June 2024 at the latest or on an earlier date in accordance with instructions by the book entry account operator, custodian or nominee.

If several subscription orders are submitted in relation to a single book-entry account, the orders will be considered as one order per book entry account.

The Offer Shares subscribed without Subscription Rights will be recorded on the subscriber’s book entry account as Shares on or about 17 June 2024.

### **Approval of subscriptions and publication of the outcome in the Offering**

The Board of Directors of Exel Composites will approve subscriptions pursuant to the Subscription Rights made in accordance with these terms and conditions of the Offering and applicable laws and regulations on or about 13 June 2024. In addition, the Board of Directors of Exel Composites will, in accordance with the allocation principles set out below in “– Allocation of Offer Shares Subscribed for without Subscription Rights”, approve subscriptions without Subscription Rights made in accordance with these terms and conditions of the Offering and applicable laws and regulations. The Company’s Board of Directors may decide not to approve the subscriptions and not to carry out the Offering, if the Board of Directors concludes that carrying out the Offering is not in the Company’s interest. In such an event the Subscription Price will be refunded to the holders of Interim Shares and the Subscription Price paid for Offer Shares subscribed without Subscription Rights will be refunded to persons that have subscribed for such Offer Shares. In the event the Offering is cancelled, the Subscription Rights cannot be exercised and have no value.

Exel Composites will publish the final results of the Offering with a stock exchange release on or about 13 June 2024.

### **Allocation of Offer Shares subscribed for without Subscription Rights**

In the event that not all the Offer Shares have been subscribed for pursuant to the exercise of the Subscription Rights, the Board of Directors of Exel Composites shall determine the allocation of Offer Shares subscribed for without Subscription Rights as follows:

- first, to those that subscribed for Offer Shares also pursuant to Subscription Rights. If the Offering is oversubscribed by such subscribers, the allocation among such subscribers shall be determined per account in proportion to the number of Subscription Rights exercised by a subscriber for subscription of Offer Shares and, where this is not possible, by drawing of lots; and
- second, to those that have subscribed for Offer Shares without Subscription Rights only and, if the Offering is oversubscribed by such subscribers, the allocation among such subscribers shall be determined per account in proportion to the number of Offer Shares that such subscribers have subscribed for, unless the Board of Directors decides otherwise for a justified weighty reason.

Where not all Offer Shares are subscribed for on the basis of the Primary Subscription Right, or thereafter on the basis of the Secondary Subscription Right, any unsubscribed Offer Shares may be offered for subscription as resolved by the Company's Board of Directors on 17 June 2024. The Board of Directors will decide on the manner and period of the subscription as well as term of payment of the Offer Shares.

If the allocation of Offer Shares subscribed for without Subscription Rights does not correspond to the amount of Offer Shares indicated in the subscription order, the Subscription Price paid for non-allocated Offer Shares will be refunded to the subscriber starting from on or about 17 June 2024. No interest will be paid on the refunded amount.

### **Withdrawal of subscriptions in certain circumstances**

Any exercise of the Subscription Rights is irrevocable, other than as set forth below, and may not be modified or cancelled.

Where the Finnish language prospectus relating to the Offering (the "**Finnish Prospectus**") is supplemented in accordance with the Prospectus Regulation due to a significant new factor, material mistake or material inaccuracy, which may affect the assessment of the Offer Shares or the Interim Shares, investors who have subscribed for Offer Shares before the supplement is published shall have the right to withdraw their subscriptions during a withdrawal period. Such withdrawal period shall last for at least two working days from the publication of the supplement. The withdrawal right is further conditional upon such significant new factor, material mistake or material inaccuracy referred above having arisen or been noted prior to the end of the Subscription Period or the delivery on the book entry account of the subscriber of the Offer Shares or the Interim Shares which are subject to the withdrawal (whichever occurs earlier).

The procedure regarding the withdrawal of the subscriptions will be announced together with any such supplement to the Finnish Prospectus and its English translation through a stock exchange release. Any withdrawal of a subscription shall relate to the entire subscription of the investor. The withdrawal must be made in writing at the account operator, custodian or nominee in which the subscription order was given.

After the end of the withdrawal period, the right of withdrawal will lapse. Where a subscription is withdrawn, the Subscription Price paid will be returned to the subscriber within approximately two business days from the notice of withdrawal. No interest will be paid on the funds returned. If the holder of a Subscription Right or an Interim Share has sold or otherwise transferred the Subscription Right or the Interim Share, such sale or transfer cannot be withdrawn.

### **Shareholders resident in certain Unauthorised Jurisdictions**

The granting of Subscription Rights to shareholders resident in countries other than Finland and the issuance of the Offer Shares to persons who have exercised Subscription Rights and who are resident in countries other than Finland, may be affected by securities legislation in such countries. Consequently, subject to certain exceptions, shareholders whose Existing Shares are directly registered on a book-entry account and whose registered address is in the United States, Canada, Australia, Hong Kong, South Africa, Singapore, Japan, New Zealand or any other jurisdiction in which participation in the Offering would not be permissible (the "**Unauthorised Jurisdictions**"), may not receive any Subscription Rights and will not be allowed to subscribe for the Offer Shares. In Finland, each such shareholder, registered in the Company's shareholders' register, acting through banks, nominees, custodians or other financial intermediaries through which its Shares are held, may consider selling any and all Subscription Rights held for its benefit to the extent permitted under their arrangements with such persons and applicable law and receiving the sales proceeds (less deduction of costs) on their account.

### **Trading in Offer Shares**

Trading in the Offer Shares registered with Euroclear Finland commences on the Helsinki Stock Exchange on or about 17 June 2024.

### **Shareholder rights**

The Offer Shares will entitle their holders to possible dividend and other distribution of funds, if any, and to other shareholder rights in Exel Composites after the Offer Shares have been registered with the Finnish Trade Register, on or about 14 June 2024 and in the Company's shareholder register maintained by Euroclear

Finland on or about 17 June 2024. Each Offer Share entitles its holder to one vote at the General Meeting of Shareholders of Exel Composites.

### **Fees and expenses**

No fees or expenses will be charged for the subscription of Offer Shares, and no transfer tax is payable for the subscription of Offer Shares. Account operators, custodians or securities brokers who execute subscription orders relating to the Subscription Rights may charge a commission in accordance with their own tariffs. Account operators and custodians may also charge a fee for the maintenance of a book entry account and the custody of the Shares. See also "*Information on the Subscription Rights and Offer Shares – Tax Implications*".

### **Applicable law and dispute resolution**

The Offering shall be governed by the laws of Finland. Any disputes arising in connection with the Offering shall be settled by the court of competent jurisdiction in Finland.

In case of any discrepancies between the original Finnish language version and the English language translation of these terms and conditions, the Finnish language version shall prevail.

### **Other issues**

Documents referred to in Chapter 5, Section 21 of the Finnish Companies Act (624/2006, as amended) are available for review at the website of Exel Composites at <https://investors.exelcomposites.com/>.

Other issues and practical matters relating to the Offering will be resolved by the Board of Directors of Exel Composites. The Board of Directors may resolve not to accept subscriptions, including the subscriptions made with Subscription Rights, and not to carry out the Offering, if the Board of Directors would conclude that carrying out the Offering is not in the Company's interest. See also "Plan of Distribution in the Offering".

Nordea Bank Abp ("**Nordea**") is acting as issuing and paying agent in respect of the Offering (i.e., assisting the Company with certain administrative services concerning the Offering). The fact that Nordea is acting as issuing and paying agent does not, in itself, mean that Nordea regards the subscriber as a customer of Nordea. For the purposes of the Offering, the subscriber is regarded as a customer of Nordea only if Nordea has provided advice to the subscriber regarding the Offering or has otherwise contacted the subscriber individually regarding the Offering, or if the subscriber has an existing customer relationship with the bank. As a consequence of Nordea not regarding the subscriber as a customer in respect of the Offering, the investor protection rules set forth in the Finnish Investment Service Act (747/2012, as amended) will not apply to the Offering. This means, among other things, that neither customer categorization nor a suitability assessment will take place with respect to the Offering. Accordingly, the subscriber is personally responsible for ensuring that he or she possesses sufficient experience and knowledge to understand the risks associated with the Offering.

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

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