

# Caverion

## Caverion Corporation

### EUR 75,000,000 2.750 per cent Notes due 25 February 2027

On 25 February 2022, Caverion Corporation (the “**Issuer**” or the “**Company**” and, together with its subsidiaries and associated companies, on a consolidated basis, “**Caverion**” and the “**Group**”) issued EUR 75,000,000 2.750 per cent notes due 25 February 2027 (the “**Notes**”). The Notes were offered for subscription in a minimum amount of EUR 100,000 through a book-building procedure that was carried out on 17 February 2022 (the “**Offering**”). The principal amount of each book-entry unit (in Finnish *arvo-osuuden yksikkökoko*) is EUR 100,000. Net proceeds from the issue of the Notes will be used for the partial repurchase of the Issuer’s existing EUR 75,000,000 3.250 per cent notes due 28 March 2023 (the “**Existing Notes**”) and the remaining proceeds for general corporate purposes.

The Notes bear interest at the rate of 2.750 per cent per annum. The maturity of the Notes is on 25 February 2027, unless the Issuer repays the Notes in accordance with the terms and conditions of the Notes.

The Notes constitute direct, unsecured, unguaranteed and unsubordinated obligations of the Issuer. The Notes will be issued in the book-entry securities system of Euroclear Finland Oy (“**Euroclear Finland**”) in dematerialised form under the Finnish Act on Book-Entry System and Clearing Activities (348/2017, as amended). The Notes may be held by holders of the Notes (the “**Noteholders**”) directly through book-entry accounts with Euroclear Finland. The Notes are not evidenced by any physical note or document of title other than statements of account made by Euroclear Finland or its account operator and cannot be physically delivered.

The Issuer will apply for the listing of the Notes on Nasdaq Helsinki Ltd (the “**Nasdaq Helsinki**”) (the “**Listing**”). Public trading in the Notes is expected to commence by end of April 2022. See “*Important Information*” for information on the Issuer’s obligation to supplement this listing prospectus (the “**Listing Prospectus**”) prior to the Listing.

Investment in the Notes involves certain risks. The summary of certain principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes is presented under “*Risk Factors*”. Each investor should carefully review this Listing Prospectus, including the risks involved, prior to making an investment decision.

The Notes have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the “**Securities Act**”), or the securities laws of any state of the United States, and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, any U.S. person (as such terms are defined in Regulation S under the Securities Act (“**Regulation S**”)), except in certain transactions exempt from, or in a transaction not subject to the registration requirements of, the Securities Act and in accordance with applicable state securities laws. The Notes have been offered and sold in offshore transactions outside the United States in reliance on Regulation S.

Neither the Issuer nor the Notes have been assigned any credit ratings at the request or with the cooperation of the Issuer in the rating process.

### Joint Lead Managers

**Nordea**

**S|E|B**

The date of this Listing Prospectus is 18 March 2022.

## IMPORTANT INFORMATION

**MiFID II product governance / Professional investors, eligible counterparties and retail investors target market** – Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU as amended (the “**MIFID II**”); and (ii) all channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**Distributor**”) should take into consideration the manufacturers’ target market assessment; however, a Distributor subject to MIFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the Issuer’s target market assessment) and determining appropriate distribution channels.

**Important – EEA retail investors** – The Notes are not PRIIPs for the purposes of Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) and, accordingly, no key information document pursuant to the PRIIPs Regulation has been or will be made available in respect of the Notes.

**UK MiFIR product governance / Professional investors and eligible counterparties only target market** – Solely for the purposes of the product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (the “**COBS**”), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “**UK MiFIR**”); and (ii) the negative target market for the Notes is clients that seek full capital protection or full repayment of the amount invested, are fully risk averse/have no risk tolerance or need a fully guaranteed income or fully predictable return profile, and (iii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**Distributor**”) should take into consideration the manufacturers’ target market assessment; however, a Distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the Issuer’s target market assessment) and determining appropriate distribution channels.

**PROHIBITION OF SALES TO UK RETAIL INVESTORS: UK PRIIPs Regulation / UK Investor** – The Notes 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 United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA which were relied on immediately before exit day to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

In this Listing Prospectus, any reference to “**Caverion**” or the “**Group**” means Caverion Corporation and its subsidiaries and associated companies, on a consolidated basis, except where it is clear from the context that the term means Caverion Corporation or a particular subsidiary. All references to the “**Issuer**” or the “**Company**” refer to Caverion Corporation.

Nordea Bank Abp (“**Nordea**”) and Skandinaviska Enskilda Banken AB (publ) (“**SEB**” and together with Nordea, the “**Joint Lead Managers**”) are acting exclusively for the Issuer as the joint lead managers of the Offering and Listing and will not be responsible to anyone other than Caverion for providing the protections afforded to its clients nor giving investment or other advice in relation to the Notes. Neither the Issuer nor the Joint Lead Managers have taken any action, nor will they take any action to make a public offer of the Notes in their possession, or the distribution of this Listing Prospectus or any other documents relating to the Notes admissible in any jurisdiction requiring special measures to be taken for the purpose of making a public offer. Any investor investing in the Notes becomes bound by the final terms and conditions for the Notes.

This document (this listing prospectus and the documents incorporated by reference herein are jointly referred to as the “**Listing Prospectus**”) has been prepared in accordance with the Finnish Securities Markets Act (746/2012, as amended, the “**Finnish Securities Markets Act**”), the Regulation (EU) 2017/1129 of the European Parliament and of the Council, as amended (the “**Prospectus Regulation**”), Commission Delegated Regulation (EU) 2019/979 (as amended) of 14 March 2019, supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council with regard to regulatory technical standards on key financial information in the summary of a prospectus, the publication and classification of prospectuses, advertisements for securities, supplements to a prospectus, and the notification portal, and repealing Commission Delegated Regulation (EU) No 382/2014 and Commission Delegated Regulation (EU) 2016/301, Commission Delegated Regulation (EU) 2019/980 (as amended) of 14 March 2019 (Annexes 7 and 15) supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004 (together, the “**Delegated Prospectus Regulation**”) and the regulations and guidelines issued by the Finnish Financial Supervisory Authority (the “**FIN-FSA**”). The FIN-FSA has approved this Listing Prospectus as the competent authority under the Prospectus Regulation. The FIN-FSA has only approved this Listing Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the FIN-FSA of this Listing Prospectus should not be considered as an endorsement of the issuer that is the subject of this Listing Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes. The record number of the FIN-FSA’s approval is FIVA 21/02.05.04/2022. This Listing Prospectus has been prepared in English only.

**This Listing Prospectus is valid until the Listing. Responsibility to supplement this Listing Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when this Listing Prospectus is no longer valid.**

This Listing Prospectus should be read together with all documents which are incorporated herein by reference. This Listing Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Listing Prospectus. See “*Documents Incorporated by Reference*”.

The distribution of this Listing Prospectus and the offer and sale of the Notes in certain jurisdictions may be restricted by law and this Listing Prospectus may not be used for the purpose of, or in connection with, any offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. This Listing Prospectus may not be distributed in the United States, Australia, Canada, Hong Kong, New Zealand, South Africa, Japan or Singapore or such other countries or otherwise in such circumstances in which the offering of the Notes would be unlawful or require measures other than those required under the laws of Finland. This Listing Prospectus does not constitute an offer of, or an invitation to purchase, the Notes in any jurisdiction in which such offer or invitation would be unlawful. No offer is being made hereby to persons whose participation in the Offering requires any prospectus or registration. None of the Company, the Joint Lead Managers or any of their respective affiliates or representatives accepts any legal responsibility for any such violations by any person or entity, whether or not a prospective purchaser of Notes, and whether or not the person or entity is aware of such restrictions.

Prospective investors should rely solely on the information contained in this Listing Prospectus. No person has been authorised to give any information or to make any representation not contained in or not consistent with this Listing Prospectus 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 authorised by the Issuer. In making an investment decision, each investor must rely on their examination, analysis and enquiry of the Issuer and the terms of the Notes, including the risks and merits involved. Neither the Issuer, nor the Joint Lead Managers nor any of their respective affiliated parties or representatives, is making any representation to any offeree or subscriber of the Notes regarding the legality of the investment by such person. Investors are recommended to make their independent assessment of the legal, tax, business, financial and other consequences of an investment in the Notes. The contents of this Listing Prospectus are not to be construed as legal, business, tax, financial or other advice.

The Joint Lead Managers assume no responsibility for the accuracy or completeness of the information herein and, accordingly, no representation or warranty, express or implied, is made by the Joint Lead Managers as to the accuracy or completeness of the information contained in this Listing Prospectus, and nothing contained in this Listing Prospectus is, or shall be relied upon as a promise or representation by the Joint Lead Managers in this respect, whether as to the past or the future. Apart from the responsibilities and liabilities, if any, which may be imposed on the Joint Lead Managers by Finnish law or under the regulatory regime of any other jurisdiction where exclusion of liability under Finnish law or the relevant regulatory regime of the other jurisdiction would be illegal, void or unenforceable, the Joint Lead Managers do not accept any responsibility whatsoever for the contents of this Listing Prospectus or for any statement made or purported to be made by them, or on their behalf, in connection with the Issuer or the Notes. The Joint Lead Managers accordingly disclaim to the fullest extent permitted by applicable law any and all liability whether arising in tort, contract, or otherwise (save as referred to above) which they may otherwise have in respect of such document or any such statement.

The information contained herein is current as of the date of this Listing Prospectus. The delivery of this Listing Prospectus, and the offer, sale or delivery of the Notes shall not mean that no adverse changes or events have occurred after the date of this Listing Prospectus, which could result in a material adverse effect on Caverion’s business, financial position, and future prospects and, thereby, on the Issuer’s ability to fulfil its obligations under the Notes as well as on the value of the Notes. Nothing contained in this Listing Prospectus is, or shall be relied upon as, a promise by the Issuer or the Joint Lead Managers as to the future. If a significant new factor, material mistake or material inaccuracy relating to the information included in the Listing Prospectus which may affect the assessment of the securities arises or is noted prior to the Listing, this Listing Prospectus will be supplemented in accordance with the Prospectus Regulation.

The Notes are governed by and construed in accordance with the laws of Finland. Any dispute arising in relation to the Notes shall be settled exclusively by Finnish courts in accordance with Finnish law.

## TABLE OF CONTENTS

Risk Factors .....	1
General Information.....	15
Terms and Conditions of the Notes.....	19
Additional Information on the Issue of the Notes.....	28
Information about the Group .....	29
Financial Information and Future Outlook .....	36
Board of Directors, Management and Auditors .....	39
Share Capital and Ownership Structure.....	44
Taxation .....	45
Documents Incorporated by Reference.....	46
Documents on Display and Available Information .....	46

## RISK FACTORS

*An investment in the Notes involves a number of risks, many of which are inherent in the Issuer's business and could be significant. Investors considering an investment in the Issuer's non-equity securities should carefully review the information contained in this Listing Prospectus, and in particular, the risk factors described below. The following description of risk factors is based on information known and assessed on the date of this Listing Prospectus and, therefore, is not necessarily exhaustive. Some of these factors are potential events that may or may not materialise. Should one or more of the risk factors described in this Listing Prospectus materialise, it could have a material adverse effect on the Issuer's business, financial condition and results of operations. The Issuer also faces additional risks not currently known or not currently deemed material, which could also have a material adverse effect on the Issuer's business, financial condition and results of operations and, therefore, on the Issuer's ability to fulfil its obligations under the Notes as well as on the market price of the Notes, and investors could lose part or all of their investment.*

*The risk factors presented herein have been divided into six (6) categories based on their nature. These categories are:*

- *Risks relating to Caverion's operating environment;*
- *Risks relating to Caverion's business operations;*
- *Risks relating to Caverion's regulatory environment;*
- *Risks relating to Caverion's financing;*
- *Risks relating to the Notes; and*
- *Risks relating to the terms and conditions of the Notes.*

*Within each category, the risk factor estimated to be the most material on the basis of an overall evaluation of the criteria set out in the Prospectus Regulation is presented first. However, the order in which the risk factors are presented after the first risk factor in each category is not intended to reflect either the relative probability or the potential impact of their materialisation. The order of the categories does not represent any evaluation of the materiality of the risk factors within that category, when compared to risk factors in another category.*

### **Risks Relating to Caverion's Operating Environment**

***Disruptions and volatility in the global markets, regional unrest, uncertain global economic conditions, as well as possible negative economic developments and conditions in the countries where Caverion operates, may have a material adverse effect on Caverion's business, financial condition, results of operation and future prospects.***

During 2021, uncertainty in the global economic and financial markets was amplified by the continued COVID-19 pandemic ("COVID-19") and its several variants, resulting currently in an indeterminably adverse impact on the global economy. As the COVID-19 pandemic has prolonged due to the several variants, the pandemic itself, the related containment measures and the increased general economic uncertainty and global supply chain struggles continue to cause high uncertainty to global trade, geopolitics and trajectories of economies. Caverion's business is exposed to various risks associated with COVID-19 and any economic downturn. These include, for example, suspension or cancellation of existing contracts by customers, lack of demand for new services, absenteeism of employees and subcontractor staff, closures of work sites and other work premises by customers or authorities and defaults in customer payments. The measures taken by the local authorities in order to restrain the COVID-19 pandemic can, for example, cause delays in the projects and therefore have a material adverse effect to Caverion's business and profits.

A prolonged COVID-19 pandemic, due to for example new variants, setbacks in the roll-out of vaccine programmes or their effect, may increase economic uncertainty in the countries where Caverion operates, leading to, among other things, a decreased demand for Caverion's services and projects in the future, and/or delays, disruptions or reduced profitability in existing projects or agreements.

Caverion's estimates regarding the effects of the COVID-19 pandemic on its business, financial condition, results of operations and future prospects have been made based on the information available to the management of the Issuer as at the date of this Listing Prospectus. Any statements regarding future events involve inherent risks, uncertainties and assumptions, both general and specific, and the risk exists even if the predictions, forecasts, projections, plans and other forward-looking statements would prove to be accurate. As at the date of this Listing Prospectus, the duration of the COVID-19 pandemic and its future effects on the industry, and Caverion in particular, remains uncertain, and the overall situation remains highly fluid, making it difficult to judge the COVID-19 pandemic's effects on Caverion's business, financial condition, results of operations and future prospects.

Russia's invasion of Ukraine at the end of February 2022 increased geopolitical tensions especially in Europe overnight. Unprecedented sanctions were imposed on Russia and Russian individuals, and Russia imposed extensive counter-sanctions. Any further escalation or prolongation of the conflict or regional unrest in neighbouring areas would adversely affect growth estimates for all of Europe, and potentially lead to a recession. It is possible that the growth prospects of several of the countries in which Caverion operates have already been severely reduced. Although the impact of the conflict on Caverion is currently indirect and Caverion has exited its Russian operations at the end of 2021 and has no operations in Ukraine, the crises may affect Caverion directly if the conflict escalates further or if de-escalation is not achieved. It is possible that other countries, including countries in which Caverion operates, may become actively involved in the conflict, which would likely materially adversely affect also Caverion's operations in such countries as well as potentially lead to a recession as well as a more challenging operating environment in Europe.

Caverion's estimates regarding the effects of the Ukrainian conflict on its business, financial condition, results of operations and future prospects have been made based on the information available to the management of the Issuer as at the date of this Listing Prospectus. Any statements regarding future events involve inherent risks, uncertainties and assumptions, both general and specific, and the risk exists even if the predictions, forecasts, projections, plans and other forward-looking statements would prove to be accurate. As at the date of this Listing Prospectus, the duration of the Ukrainian conflict and its future effects on the industry, and Caverion in particular, remains uncertain, and the overall situation remains highly fluid, making it difficult to judge the effects on Caverion's business, financial condition, results of operations and future prospects.

The majority of Caverion's revenue comes from the Nordics and Germany and hence the demand for Caverion's services is especially affected by the economic development of said countries. Economic slowdown or a recession, regardless of its depth, or any other negative economic development in Caverion's key operating countries may adversely affect Caverion's or its customers' and its suppliers' business in a number of ways. A possible weakness in the global or local economy may reduce customer demand or place additional financial stress on Caverion's customers, which may negatively affect Caverion's ability to collect its receivables fully or in a timely manner, which in turn could require Caverion to contribute additional capital or obtain alternative financing to meet its obligations under any financing arrangements.

In addition, especially Caverion's project business is dependent on its customers receiving financing for their projects and any weakness in the global or local economy may reduce the funding available for Caverion's customers and thereby cause project delays or cancellations. In addition, the economies of certain of the countries where Caverion operates have in the past and may from time to time in the future experience significant growth leading to overheating of certain businesses, for example construction. Consequently, Caverion may in such situations be unable to hire capable employees at commercially reasonable cost or at all. If such economies or regions later return to periods of average growth or stagnate, Caverion may need to initiate restructuring actions. Additionally, construction activity, construction volumes and the general confidence level of the construction industry affects Caverion's business and may materially adversely affect Caverion if the construction activity and/or volumes or general confidence in the construction industry decreases.

Due to Caverion having a relatively concentrated country risk with key countries representing a significant portion of Caverion's turnover, materialisation of any of the risks described above especially to the extent it results in economic slowdown or recession in Caverion's key operating countries in the Nordics or Germany, may have a material adverse effect on Caverion's business, result of operations and financial position and thereby, on Caverion's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Increasing cost base, including increasing or high material and energy prices, may have a material adverse effect on Caverion's business, financial condition, results of operation and future prospects.***

Inflation in Caverion's main markets increased significantly in the second half of 2021. Especially prices of certain materials and supplies increased substantially. At certain times, the availability of certain materials and supplies was scarce, mainly due to global logistical problems and increasing demand. If prices of key materials and supplies increase, and if Caverion is unable to successfully transfer such price increases to its customers, Caverion's cost base will increase and profitability may be reduced. In addition, Caverion may not, due to scarce availability of certain materials and supplies, be able to maintain the promised service levels or slip from agreed project deadlines, which could potentially result in contractual fines and further increased costs and reduced profitability. More generally, this could adversely affect Caverion's reputation and ability to be awarded new contracts and assignments.

In addition, energy prices significantly increased in 2021 and continue to be high in early 2022. High and/or rising energy prices and possible problems with the availability of energy may adversely impact Caverion's operating environment in terms of increasing Caverion's costs. In the Services business, Caverion has given service performance guarantees, for example guarantees for a certain maximum energy usage level. Any failures or delays in reaching the guaranteed levels could increase Caverion's costs and decrease customer satisfaction. If energy prices are high, failure to reach such performance guarantees may increase Caverion's costs more than anticipated. In addition, Caverion offers energy management solutions, and although high energy prices may increase the demand for Caverion's energy efficiency solutions in the future, high and/or volatile energy prices may in the short to medium term decrease or postpone customer's investments into such services or shift demand towards other providers, thereby decreasing demand for Caverion's services and reducing profitability.

### **Risks Relating to Caverion's Business Operations**

#### ***Pricing errors and other flaws in tendering, and unsuccessful project management and execution may lead to project write-downs, provisions and losses, and to disputes and litigations.***

Caverion's Projects business is comprised of thousands of individual mid to long-term projects, and therefore consistent compliance with the tendering and project execution processes is crucial for Caverion's success. Caverion is exposed to various risks related to, for example, price calculation, contractual terms and conditions, schedule, liquidated damages, and project management, especially change management. Management of costs and productivity is particularly important in larger projects.

If Caverion makes mistakes in calculating and pricing projects, the expected profitability levels of such projects may fall short or may never be reached. There is a risk that some project risks will materialise, which could have a negative impact on Caverion's financial performance and position. Project risk assessment is part of Caverion's standard project management processes, and it is possible that risks may be identified both in ongoing projects and in new projects that may result in write-downs and unexpected costs.

Caverion made significant write-downs from separately identified major risk projects during the years 2017 through 2020, in aggregate EUR 66.3 million. In 2021, Caverion made write-downs from separately identified major risk projects in the amount of EUR 4.0 million. Out of the old major risk projects, the last one reported in adjusted EBITA was handed over to the customer in the end of 2021. However, it is possible that further risks may emerge in regard to this project or other projects.

In certain regions and project types, Caverion relies on partners and subcontractors to a significant extent and is therefore dependent on finding good partners and subcontractors. Caverion cannot guarantee that it will continue to be able to find reliable subcontractors or other partnerships in the future. Caverion also cannot guarantee that the partnerships will be economically viable or that the contract terms, including the costs incurred and revenues generated in connection with such joint projects will be attractive for Caverion. Furthermore, Caverion cannot guarantee that these partnerships will not reflect unfavorably on its brand in the event that there is a problem with a product or service developed by a partner, or that there will not be interruptions in supply of products or services by its partners. Relying on partners and subcontractors may also increase the risk of disputes and litigations, and Caverion may be held liable for the actions and inactions of its partners and subcontractors. Caverion has faced problems with its suppliers and partners in the past, including problems in negotiating advantageous terms of cooperation with, and the availability and quality of, certain of its partners and subcontractors. There can be no assurance that Caverion will not encounter similar or other issues with its partners and subcontractors in the future.

There is a risk that project risks such as problems related to project management, project execution and profitability materialise, which could lead to project write-downs and provisions, and to disputes and litigations, which in turn could have a material adverse effect on Caverion's business, result of operations and financial position and thereby, on Caverion's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes. In the past, such risks have materialised and despite all the actions and efforts taken by Caverion, project-related risks are likely to materialise at least to a certain extent also in the future.

***Caverion's Services business is subject to risks relating to competition and long-term commitments.***

In 2021, Caverion's Services business accounted for 66 per cent of Group revenue. Caverion's Services business handles a large number of service orders annually. The Services business in general is still to a certain extent fragmented and local to its nature. Increased competition in the services business due to for example consolidation of smaller market players may weaken Caverion's market position in the future.

In the Services business, a material part of the business is small and mid-size service projects. There is a risk that some of these service projects contain same type of risks as those described for the Projects business in the above risk factor, however given their size and nature of the service projects, these involve a lower risk.

In the Services business, Caverion has made service performance guarantees, for example guarantees for response time and a certain maximum energy usage level. Any failures or delays in reaching the guaranteed levels could increase Caverion's costs and decrease customer satisfaction.

In long-term service agreements lasting up to 25 years, Caverion commits to a certain service level and pricing principles, which may have an unfavourable effect on Caverion's profitability, especially if Caverion's costs increase more than the revenue received from such agreements. In the long-term life cycle projects, Caverion also carries liability together with partners for potential errors during the construction period and the consequences of the same. In some cases Caverion is not able to ensure subcontractors for the full service periods and may need to later conclude agreements with subcontractors with unfavourable terms for Caverion.

If any of the risks above materialise, this could have a material adverse effect on Caverion's business, financial conditions and results of operations and future prospects and thereby, on Caverion's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Caverion's reported receivables are based on estimates that may differ materially from the factual situation and may result in increased impairment losses.***

The Group follows a policy in valuing trade receivables and the bookings include estimates and critical judgements. According to the Group's policy, write-offs or provisions are booked on receivables when it is probable that no payment can be expected. The estimates are based on experience in respect of write-offs realised in previous years, empirical knowledge of debt collection, customer-specific collaterals and analyses as well as the general economic situation of the review period.

As at 31 December 2021, Caverion's more than 180 days overdue receivables amounted to EUR 30.7 million (EUR 32.9 million as at 31 December 2020). The majority of these receivables relate to disputes of change orders and contracts. A receivable is impaired when payment is seen unlikely. If any of the counterparties fail to fulfil their obligations towards Caverion, this may result in increased impairment losses, which in turn could have a material adverse effect on Caverion's result of operations and financial position and thereby, on Caverion's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

The revenue and result from long-term service agreements and project contracts is recognised on the basis of the percentage-of-completion ("POC") method and is therefore subject to a significant amount of estimates and only rarely corresponds with the even allocation of the final overall result over the agreement. Due to the application of the POC method, part of reliably estimated impairment losses are included in the cost estimate of the project and considered as weakened margin forecast. Caverion may at any given date have recognised a larger percentage of revenue compared to the actual technical completion rate of the project and therefore Caverion may not in a timely manner be able to identify profitability issues in projects. The amount of POC receivables increased to EUR 195.6 million as at 31 December 2021 (EUR 190.0 million as at 31 December 2020).

It cannot be excluded that the final recognised risk in relation to the receivables differs from current estimates or that there is also risk associated with other receivables not currently identified. The level of the risk is also affected by the high uncertainties in the economic development due to the prolonged COVID-19 pandemic burdening Caverion's customers and the risk is notable for Caverion as many of its agreements are long-term.

***Labour disputes and adverse employee relations could interfere with Caverion's operations and Caverion's profitability is dependent upon its utilisation rate.***

The majority of Caverion's business is labour-intensive, meaning that the availability and commitment of skilled employees is a prerequisite for Caverion's success. A significant part of Caverion's Services business revenue is derived from unscheduled service projects with a short response time, and in order for Caverion to be able to offer high-quality and profitable services, it must efficiently manage its employees and secure that its utilisation rate remains at a sufficiently high level.

Work stoppages, strikes or other labour disputes in industries associated with Caverion's business may have negative effects on Caverion's business operations and its utilisation rate. Caverion is party to collective labour agreements and similar arrangements that cover the majority of Caverion's own employees and subcontractors. Caverion, its subcontractors or employer and employee associations may not be able to negotiate new collective labour agreements with satisfactory terms and conditions when the existing agreements expire.

In order to minimise the negative financial impacts from the COVID-19 pandemic on its operations, Caverion has implemented cost saving actions and adapted its resources. In most of the operating countries, the key flexibility measures were the use of temporary lay-offs and the reduction of subcontracting. Furthermore, due to the prolonged COVID-19 crisis and the increased uncertainty, Caverion continued to carry out certain proactive streamlining and adjustments of its operations during 2021. These actions included personnel reductions, reorganisation and operating model development. The restructuring costs amounted to EUR 2.9 million in 2021 (EUR 10.7 million in 2020). Caverion may in the future need to take further restructuring actions that relate to operating countries and lead to one-off costs and/or have a negative effect on its employee relations. In addition, it is possible that the anticipated cost savings from any restructuring actions may not fully materialise.

Caverion cannot assure that any disputes, work stoppages or strikes will not arise in the future, especially if further restructuring actions are needed. Should any disputes, work stoppages or strikes occur in the future, these could have a material adverse effect on Caverion's business, financial condition and results of operations and future prospects and thereby, on Caverion's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Caverion is dependent on professional management and personnel.***

The success of Caverion materially depends on the professional skills of Caverion's management and personnel, as well as on the ability of Caverion to retain its current management and personnel and, when necessary, recruit new and skilled personnel. Project management personnel in particular are required to hold specified competencies, and shared decision-making processes and quality systems must be followed in the management process. Even though Caverion has been successful in hiring professional and capable personnel, there are no guarantees that Caverion will be able to recruit sufficient new personnel or to retain its current personnel in the future.

The loss of management members or employees or the inability to attract qualified new personnel may have a material adverse effect on Caverion's business, financial conditions and results of operations and future prospects and thereby, on Caverion's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Caverion may pursue strategic acquisitions or consider divestments of businesses, which could have an adverse impact on its business.***

Caverion may from time to time make add-on acquisitions in order to accelerate its growth. Acquisitions may result in difficulties in assimilating acquired companies and may result in the diversion of Caverion's capital and its management's attention from other business issues and opportunities. Furthermore, risks relating to acquisitions include unidentified liabilities of the companies or businesses Caverion may acquire, the possible inability to successfully integrate and manage the acquired operations and personnel, as well as the risk that the anticipated economies of scale or synergies will not materialise.

In 2021, Caverion completed seven acquisitions. In 2021, Caverion acquired RPH Linc AB in Sweden, Merius Oy in Finland, Rørlegger'n Innlandet AS in Norway, Bott Kälte- und Klimatechnik GmbH in Germany as well as GTS Immobilien GmbH, Felcon GmbH and Electro Berchtold GmbH in Austria. The transaction price (net of cash) of the acquisitions totalled EUR 9.7 million in 2021. At the end of December 2021, Caverion sold the share capital of its subsidiary JSC "Caverion Rus" in Russia to Aim Cosmetics Rus, LTD. The transaction covered Caverion's entire operations in Russia which are focused on the St. Petersburg and Moscow regions and employed 421 persons at the end of 2021. Following the completion of the transaction, the Group will no longer operate in Russia.

Caverion may also divest some of its businesses in the future. Any future divestments of businesses may be affected by many factors, such as the availability and terms of financing for potential buyers, which are beyond Caverion's control. There can be no assurance that Caverion will succeed in divesting any assets in a profitable way or that such divestments will be possible on acceptable terms. Any transactions may also require extensive attention from the management of Caverion and divert their attention away from the ongoing business and subject Caverion to potential indemnity claims from purchasers of the divested businesses. Any failure in completing acquisitions and/or divestments, in negotiating favourable terms for acquisitions and/or divestments or in integration of acquisitions may have a material adverse effect on Caverion's business, financial conditions and results of operations and future prospects and thereby, on Caverion's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Caverion's order backlog is not necessarily linked to future revenue and is not necessarily a reliable indication of future revenue or profits.***

Caverion includes project agreements and long-term maintenance agreements in its order backlog when the corresponding agreements are signed. Caverion's order backlog is comprised of the value of existing agreements not recognised as revenue.

Caverion's order backlog amounted to EUR 1,863.8 million as at 31 December 2021, compared to EUR 1,609.1 million as at 31 December 2020. Because of estimates included in the agreement portfolio and recognition of revenue based on the POC method, revenue may not always be realised, may be realised more slowly than estimated or may not generate profits when materialised. This may have an unfavorable effect on Caverion's business, result of operations and financial position and thereby, on Caverion's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Caverion's Projects business may involve risks related to public procurement, such as liabilities, fines and delays.***

As a rule, public sector assignments are awarded according to public procurement, which involves the risk of intense price competition and non-negotiable terms and conditions. In addition, public sector decision-making involves the risk that the decision concerning the use of public funds for a specific project may be changed, delayed or cancelled, when political decision-makers are replaced. Caverion is dependent on the policies of its public sector customers, including policies concerning investments in properties and infrastructure. Caverion's contracts with public sector clients are subject to audit, which could result in adjustments to reimbursable contract costs or, if Caverion is charged with wrongdoing, possible temporary or permanent suspension or sanctions from participating in government programs.

In addition, for public sector clients, a failure by Caverion's subcontractors to comply with applicable laws, regulations or client requirements may result in fines or suspension being imposed on Caverion. Materialisation of the above risks may have a material adverse effect on Caverion's business, results of operations and financial position and thereby, on Caverion's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Caverion may not be able to successfully implement its strategy, or its strategy may prove to be misaligned in relation to prevailing market conditions or changes in the industry.***

Caverion has since 2021 been working on its new strategy that will guide Caverion up until the year 2025 and expects to finalise this work during the first half of 2022. The new growth strategy is built around core future capabilities that will allow Caverion to differentiate and focus in a market full of opportunities. It is expected to deliver on Caverion's purpose of enabling performance and people's wellbeing in smart and sustainable built environments. When developing Caverion's strategic operating plans, Caverion makes certain assumptions, including, but not limited to, those related to customer demand, competition, sustainability driven growth, digitalisation and the global economy. Actual economic, market and other conditions have been and may continue to differ from Caverion's assumptions. The appropriateness and

successful execution of Caverion's strategy could be affected by a number of factors beyond Caverion's control and there can be no assurance that Caverion will be able to succeed in the implementation of its strategy or that its strategy would in all situations prove to be appropriate. There can be no assurance that Caverion's strategy would not in the future prove to be misaligned in relation to prevailing market conditions or changes in the industry.

The materialisation of any of the above risks may result in a failure by Caverion to implement its strategy, which may result in Caverion not being able to reach its financial or operational targets, which may have a material adverse effect on Caverion's business, financial condition, results of operations and future prospects.

***Interruptions or failures of information technology systems and potential cyber security breaches may lead to unexpected costs and harm Caverion's business.***

Caverion's IT resources and infrastructure are essential for the provision of Caverion's core services, especially as services are rapidly becoming digitalised. Caverion's information technology architecture includes several complex intra- and inter-linked systems that are periodically updated and integrated with new systems. If these systems are not able to provide a basis to support Caverion's existing, new or expanded products or services, this could have a material adverse effect on Caverion's ability to service its customers.

The reliability of the key IT systems and partnerships is essential for Caverion's continuous operations. Prolonged disruption in the key systems could limit Caverion's ability to conduct operations in a profitable and efficient manner. In addition, increasing sophistication of and frequency of cyber threats pose a risk to Caverion's information assets. Caverion's IT systems and related data may be vulnerable to a variety of sources of interruption due to events beyond its control, including natural disasters, terrorist or cyberattacks, telecommunications failures, computer viruses, hackers and other security issues. Although Caverion is continually developing its information security and situation-management preparedness for serious disruptions to information systems and telecommunications, these measures may not be adequate or implemented properly to prevent a business disruption.

Should Caverion's security procedures be compromised, wilfully, unintentionally or through cyberattacks, Caverion's reputation, results of operations and financial position could be materially and adversely affected and result in claims under data protection laws and regulations, litigation or other regulatory actions and higher expenditures to adequately protect Caverion against such information security breaches.

Over time Caverion has made significant investments in its IT systems, and there is a risk that the expected pay-back of these investments is not fully materialised. Investments in information technology totalled EUR 8.0 million in 2021 (EUR 9.7 million in 2020). IT investments continued to be focused on building a harmonised IT infrastructure and common platforms, and certain IT system renewals were made. IT systems and mobile tools were also further developed to improve the Group's internal processes and efficiency going forward. However, there can be no assurance that Caverion has invested in the right technology, or that the investment level is sufficient for it to retain or improve its competitiveness or that the expected functionalities and pay-back fully materialise.

***Caverion's ability to meet its customers' requirements and competitiveness may deteriorate.***

Maintaining Caverion's competitiveness requires that Caverion is able to meet its customers' requirements related to matters such as technology, quality, timeliness of deliveries and level of costs. Caverion operates in a competitive market, and inability to meet the changing requirements of customers or deliver services at a competitive price, especially relating to the strong emergence of the Internet of Things, the Industrial Internet and demand for automation in recent years, may lead to loss of customer accounts and loss of customers to competitors, which may have a material adverse effect on Caverion's business, result of operations and financial position.

Maintaining competitiveness and the ability to meet customer requirements, especially in a tightening market situation, may require for example significant investments in new technology, training personnel and development of the offering. Such investments may also require external financing, the availability, terms and conditions of which depend on the market situation prevailing at each time.

***Caverion may be exposed to higher liability for its deliveries than expected.***

There are established industry specific agreed terms or laws in the countries where Caverion operates. It is typically a precondition to accept these agreed terms or laws in order to participate in the tendering and be awarded a contract. These agreed terms or laws often do not contain customary limitations of liability which would otherwise be required in Caverion's agreements. Even if limitations of liability had been agreed, their effectiveness may be uncertain and depend among other factors on the applicable law in the relevant jurisdiction. For example, delays in agreed contracts and other contractual breaches may result in liabilities for Caverion. The liabilities may be independent of the diligence of Caverion's operations. It is not possible to quantify such liabilities, and hence the materialisation of liability may have a material adverse effect on Caverion's reputation, business, result of operations and financial position.

***Caverion's insurance coverage may turn out to be insufficient or not available in certain situations.***

Caverion obtains insurance policies regarding certain risks relating to its property and business operations. Furthermore, members of the Group may acquire local insurances on a case-by-case basis in separately defined areas and as part of specific delivery contracts. Insurance policies are obtained under terms and conditions that Caverion believes to be in line with standard market practices.

Although Caverion believes that it carries adequate insurance with respect to its operations and that said insurance coverage corresponds to the general industry practice, Caverion's insurances may not necessarily adequately cover the direct or indirect consequences of occurrences related to the operations of Caverion. It may be that insurance coverage is not necessarily available for each of the risks faced by Caverion. In addition, Caverion's insurance policies may be subject to deductibles or franchises, as the case may be, and possible remedial requirements that affect the final amount of possible insurance indemnities. Although it has been Caverion's policy to cover the risks relating to its operations through contractual limitations of liability and to the extent possible, indemnities and insurances, they may not in all cases give sufficient economic safety.

Potential insufficiencies in Caverion's insurance coverage could have a material adverse effect on Caverion's business, financial condition and results of operations and future prospects and thereby, on Caverion's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Damage to properties may result in unexpected costs.***

Sudden and unforeseen damage to Caverion's project sites or Caverion's properties or other assets, caused by, for example fire, collapse and theft, may cause unexpected costs. Accidents related to personal and information safety may also have negative effects on Caverion's operations. In spite of Caverion complying with a Group wide risk management and security policy, which includes among others plans for exceptional situations and target-oriented insurance policies, risks cannot be completely eliminated. In particular for major projects, the materialisation of event risks may cause severe damage to Caverion. The materialisation of such risks may have a material adverse effect on Caverion's business, financial condition and results of operations and future prospects and thereby, on Caverion's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Caverion's operations may involve environmental risks.***

Caverion handles, among others, refrigerants, pickling acids, heat transfer fluids, oils, solvents and asbestos in its daily operations. Caverion ensures the appropriate processing of hazardous waste and proactively identifies each project's risks related to personnel safety, use of chemical substances and wellbeing at work, but nonetheless environmental damage may occur in the operations, which could, in turn, have a material adverse effect on Caverion's business, financial condition and results of operations and future prospects and thereby, on Caverion's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

**Risks Relating to Caverion's Regulatory Environment**

***Caverion faces risks relating to legal, employment, civil, tax, administrative and competition proceedings as well as brand risks that may have an adverse effect on Caverion’s business, result of operations and financial position.***

Caverion is subject to numerous risks relating to legal, employment, civil, tax, administrative, regulatory and competition proceedings to which Caverion is, or in the future might be, a party or in which Caverion is otherwise involved or which could develop in the future. Given the nature of Caverion’s business, Group companies are involved in various disputes and legal proceedings relating to their day-to-day activities. These disputes and legal proceedings concern claims made against Caverion for allegedly defective or delayed delivery. In some cases, the collection of receivables by Caverion may result in disputes and legal proceedings. There is a risk that the client presents counter claims in these proceedings. The outcome of claims, disputes and legal proceedings is difficult to predict. Write-downs and provisions are booked following the applicable accounting rules. Any lawsuits or the threat thereof, regardless of their outcome, could result in substantial costs and diversion of resources.

In June 2018, Caverion reached a settlement for its part with the German Federal Office (“**FCO**”) in a cartel case that had been investigated by the authority since 2014. The investigation concerned several companies providing technical building services in Germany. Caverion Deutschland GmbH (and its predecessors) was found to have participated in anti-competitive practices between 2005 and 2013. According to the FCO’s final decision issued on 3 July 2018, Caverion Deutschland GmbH was imposed a fine of EUR 40.8 million. In the end of March 2020, the FCO issued its final decision on the cartel case against the other building technology companies involved in the matter. There is a risk that civil claims may be presented against the involved companies, including Caverion Deutschland GmbH. It is not possible to evaluate the magnitude of the risk for Caverion at this time. Some civil claims presented against Caverion Deutschland GmbH have been settled in 2021 in the amount of EUR 9.1 million.

As part of Caverion’s co-operation with the authorities in the cartel matter, Caverion identified activities between 2009 and 2011 that were likely to fulfil the criteria of corruption or other criminal commitment in some of its client projects executed in that time. Caverion brought its findings to the attention of the authorities and supported them in investigating the case. In the end of June 2020, the public prosecutor’s office in Munich informed Caverion that no further investigative measures are intended and that no formal fine proceedings against Caverion will be initiated related to those cases. There is a risk that civil claims may be presented against Caverion Deutschland GmbH. It is not possible to evaluate the magnitude of the risk for Caverion at this time.

Any court proceedings related to the said potential civil claims and legal costs associated with such potential proceedings or any other legal, administrative or regulatory proceeding or dispute may have a material adverse effect on Caverion’s business, result of operations and financial position and thereby, on Caverion’s ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Maintaining the reputation of and value associated with Caverion’s brand is central to the success of its business. Failure to maintain high ethical, social and environmental standards for its operations, or adverse publicity regarding Caverion, could harm Caverion’s reputation. To a certain degree, Caverion is able to control the reputation and visibility of its brand, but external factors over which Caverion has no control can also be significant. Caverion’s brand may also be affected by actions by or issues related to its customers or business partners. Any acts, wrongdoings or non-compliance with any laws, rules and regulations by Caverion’s employees, suppliers or business partners or any disagreement or dispute with a customer or supplier may harm Caverion’s business and brand, and Caverion may need to assign significant resources to rebuilding its business and brand.

### **Risks Relating to Caverion’s Financing**

***Caverion may not receive financing at competitive terms or at all.***

Uncertainty in the financial markets may mean that the price of the financing needed to carry out Caverion’s business will increase and/or that it will be less readily available. Caverion aims to reduce the risk relating to the availability of financing by using credit agreements of varying durations, by having a broad base of lenders, by applying credit limits and by maintaining Caverion’s reputation as a trustworthy debtor among its creditors.

Caverion agreed in December 2021 with its lending parties on refinancing of its bank loans and revolving credit facility. The new facility agreement consists of a EUR 100 million revolving credit facility and a EUR 50 million term loan with a bullet maturity of 3 years and the possibility to extend the maturity by two additional years. With this arrangement Caverion prolonged its loan maturity and strengthened its long-term liquidity. Caverion’s debt financing includes a

financial covenant based on the ratio of the Group's net debt to EBITDA. The financial covenant shall not exceed 3.5:1. As at 31 December 2021, the Group's net debt to EBITDA was 1.1x calculated in accordance with the confirmed calculation principles.

Any problems in meeting the financial covenant or Caverion's other obligations or undertakings under its financing arrangements can affect the future funding of Caverion and/or require negotiations with lenders. A breach of the financial covenant would entitle the lenders to accelerate the debt in question and Caverion might not be able to refinance such accelerated loans in a timely and cost-efficient manner or at all. Caverion's ability to meet these obligations can be affected by major investments or other changes in the conditions for operation and in Caverion's capital structure but also by events beyond its control such as changes in the equity and debt finance markets and cyclical fluctuations. It is possible that Caverion could - at any given point in time - encounter difficulties in raising funds and, as a result, lack the access to liquidity that it needs. There can be no assurance that Caverion will be able to meet its financial covenants when required. The level of Caverion's leverage may affect its ability to refinance its existing credits. The level of Caverion's leverage could also affect its competitiveness and limit its ability to react to changes in market conditions and economic downturns. The materialisation of the above risks could have a material adverse effect on Caverion's business, financial condition and results of operations and future prospects and thereby, on Caverion's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***A possible impairment of goodwill, or write-offs relating to other intangible or tangible assets could have material adverse effects on Caverion's financial condition and results of operations.***

As at 31 December 2021, Caverion had EUR 369.9 million of goodwill (EUR 201.4 million of total equity), EUR 47.7 million of other intangible assets and EUR 17.6 million of property, plant and equipment in its consolidated statement of financial position. Goodwill, intangible assets with indefinite useful life and intangible assets not yet in use are not amortised but are tested for impairment annually, or more frequently, if events or changes in circumstances indicate that such carrying value may not be recoverable. The carrying values of property, plant and equipment and intangible assets subject to periodic depreciation and amortisation are reviewed for impairment whenever there are indications that their carrying values could exceed their value in use or disposal value if disposal is considered as a possible option.

If the carrying value exceeds the recoverable amount, determined based on the higher of the discounted future cash flows of the related businesses and the fair value less costs to sell, then goodwill or other intangible or tangible assets, as applicable, is considered impaired and is reduced to the recoverable amount via a non-cash charge to earnings. Preparation of these calculations requires the use of estimates and assumptions. If management's judgements, assumptions or estimates change, the estimates of the recoverable amount of goodwill or other intangible or tangible assets could fall significantly and result in an impairment. If the value of goodwill or other intangible or tangible assets is impaired, it could have a material adverse effect on Caverion's financial condition and results of operations.

***The Group may be exposed to foreign exchange rate risks.***

Caverion operates internationally and is therefore regularly exposed to foreign exchange rate risks arising from the currencies of the countries in which it operates. In 2021, the most significant currencies in relation to the foreign exchange risk were the Swedish krona (SEK) and the Norwegian krona (NOK). Risk arises mainly from the recognised assets and liabilities and net investments in foreign operations. In addition, commercial contracts in Caverion's subsidiaries cause foreign exchange risk, but the contracts are mainly denominated in each entity's own functional currencies.

The objective of foreign exchange risk management is to reduce uncertainty caused by foreign exchange rate movements on income statement through measurement of cash flows and commercial receivables and payables. As at the date of this Listing Prospectus, the Board of Directors of Caverion has decided that investments in foreign operations are not hedged for foreign exchange translation risk.

In accordance with the Group's treasury policy, all members of the Group are responsible for identifying and hedging the foreign exchange risk related to the foreign currency denominated cash flows. All firm commitments over EUR 0.2 million must be hedged by intra-group transactions with Caverion's group treasury. Caverion's group treasury hedges the net position with external counterparties but does not apply hedge accounting to derivatives hedging foreign exchange risk. Accordingly, the fair value changes of derivative instruments are recognised in Caverion's consolidated income statement.

When there are significant currency fluctuations, the IFRS mark to market valuation of foreign exchange forward agreements principle may cause volatility in Caverion's profit and loss statements.

***Caverion's financing arrangements involve interest rate risks.***

Caverion may from time to time have interest-bearing receivables in its cash and cash equivalents but otherwise its revenues and cash flows from operating activities are mostly independent of changes in market interest rates. Caverion's exposure to cash flow interest rate risks arises mainly from current and non-current loans. Borrowing issued at floating interest rates exposes Caverion to cash flow interest rate risk. To manage the interest rate risk, the Board of Directors of Caverion has defined an average interest rate fixing term target for the Group's net debt (excluding cash). In spite of Caverion managing its interest rate risk, it is possible that a significant change in market interest rates may, particularly in the long-term, have a material adverse effect on Caverion's business, financial position and result of operations. As at 31 December 2021, Caverion did not use interest rate derivatives to hedge interest rate risk. The share of the fixed interest financing was 63 per cent of the whole debt portfolio and Caverion's floating interest rate borrowings totalled EUR 50 million as at 31 December 2021.

***Caverion may be exposed to credit (default) and counterparty risks.***

Caverion's credit risk arises from outstanding receivable balances, long-term service agreements, as well as cash and cash equivalents/deposits and derivative financial instruments with banks. The Group manages credit risk relating to its operations and sales, for instance, by advance payments, upfront payment programs in projects, payment guarantees and assessment of the credit quality of the customer. Credit background of new customers is assessed and when necessary, guarantees are required and client's paying behavior is monitored actively. The counterparty risk of financing arises from the risk that a contractual party to a financial transaction may not be able to fulfil its contractual obligations. The counterparties of Caverion's long-term loans from financial institutions, derivative contracts and insurance policies are Finnish and international financial institutions and insurance companies. Caverion's group treasury is responsible for managing the counterparty risks relating to financing transactions, however the risks cannot be fully eliminated. In spite of Caverion managing counterparty risks, it is possible that Caverion's financing or insurance counterparty would face serious financial difficulties or bankruptcy.

As a result of the demerger of YIT Corporation registered on 30 June 2013, a secondary liability has been generated to Caverion, for those liabilities that have been generated before the registration of the demerger and remain with YIT Corporation after the demerger. Caverion has a secondary liability relating to the Group guarantees that remained with YIT Corporation after the demerger if YIT Corporation falls into default. These Group guarantees amounted to EUR 18.6 million as at 31 December 2021.

Should one or several financial institutions acting as Caverion's counterparty, or YIT Corporation or any of Caverion's material customers, face financial difficulties or bankruptcy, this may have a material adverse effect on Caverion's business, financial position and results of operation.

***Caverion might not receive operational guarantees at competitive terms or at all.***

Caverion operates in a business which typically involves the granting of guarantees in favor of customers or other stakeholders, especially in relation to large projects, for e.g. advance payments received, the performance of contractual obligations, and for defects for the duration of the guarantee period. Such guarantees are typically granted by financial intermediaries. There can be no assurance that Caverion would have continuous access to sufficient guarantees from financial intermediaries at competitive terms or at all, and the absence of such guarantees could result in Caverion losing customers and contracts, having an adverse effect on Caverion's business, financial condition and results of operations and future prospects and thereby, on Caverion's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

**Risks Relating to the Notes**

***Investors are exposed to credit risk in respect of the Issuer and may lose their investment in the Notes.***

Investors in the Notes carry a credit risk relating to the Issuer. The payments by the Issuer to investors under the Notes will, therefore, be dependent on the Issuer's ability to meet its payment obligations, which in turn is to a large extent

dependent on developments in the Issuer's business and financial performance. An investor is always solely responsible for the economic consequences of his/her/its investment decisions.

An increased credit risk may cause the investors to expect a higher risk premium from the Notes, which could affect the Notes' value negatively. Another aspect of the credit risk is that a deteriorating financial condition of the Issuer may reduce the Issuer's possibility to receive debt financing at the time of the maturity of the Notes and such debt financing might be needed for the Issuer to be able to meet its payment obligations under the Notes. In addition, should the Issuer become insolvent during the term of the Notes, an investor may forfeit interest payable on, and the principal amount of, the Notes in whole or in part.

***The Notes constitute unsecured obligations of the Issuer.***

The Notes constitute direct, unsecured, unguaranteed and unsubordinated obligations of the Issuer. The Notes are not guaranteed by any person or entity. No one other than the Issuer will accept any liability in respect of any failure by the Issuer to pay any amount due under the Notes.

This means that in the event of bankruptcy, reorganisation or winding-up of the Issuer, the Noteholders normally receive payment after any priority creditors have been fully paid. Accordingly, the prospects of the Issuer may adversely affect the liquidity and the market price of the Notes and may increase the risk that the Noteholders will not receive prompt and full payment, when due, for interest, principal and/or any other amounts payable to the Noteholders pursuant to the Notes from time to time.

***There is currently no public market for the Notes and if an active trading market for the Notes does not develop or is not maintained, it could have a material adverse effect on the market price of the Notes.***

The Notes constitute a new issue of securities by the Issuer. Prior to the contemplated Listing on Nasdaq Helsinki, there is no public market for the Notes. Although an application will be made to list the Notes on Nasdaq Helsinki, no assurance can be given that such application will be approved within the contemplated timeframe, or at all. In addition, the Listing will not guarantee that a liquid public market for the Notes will develop, and even if such a market were to develop, neither the Issuer nor the Joint Lead Managers are under any obligation to maintain such market. The liquidity and the market prices of the Notes can be expected to vary with changes in market and economic conditions, the financial position and prospects of the Issuer and many other factors that generally influence the market prices of securities. Such factors may significantly affect the liquidity and the market prices of the Notes, which may trade at a discount to the price at which the Noteholders purchased the Notes.

If an active trading market for the Notes does not develop or is not maintained, it could have a material adverse effect on the market price of the Notes. Further, Noteholders may not be able to sell their Notes at all or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Moreover, if additional and competing products are introduced in the markets, it could have a material adverse effect on the market price of the Notes.

***Neither the Issuer nor the Notes are rated.***

The Issuer has no ratings solicited by it. Further, the Notes are currently not rated by any rating agency. Accordingly, investors are not able to refer to any independent credit rating when evaluating factors that may affect the value of the Notes. The absence of a rating may reduce the liquidity of the Notes as investors often base part of their decision to buy debt securities on credit ratings. The absence of a rating may also increase the borrowing costs of the Issuer. Furthermore, as at the date of this Listing Prospectus, unrated notes are not eligible for purchases by the European Central Bank (the "ECB") under the ECB purchase programme criteria. The absence of ECB purchases may adversely affect the demand of the Notes in both primary and secondary markets, which could lower the overall liquidity of the Notes. A decrease in the liquidity of the Notes, in turn, may adversely affect the market price and value of the Notes.

***The Issuer may issue additional debt and/or grant security.***

Except for as set out in Condition 9 (*Negative Pledge*) of the terms and conditions of the Notes, the Issuer is not prohibited from issuing further notes or incurring other debt ranking pari passu or senior to the Notes or restricted from granting any security on any existing or future debts. Issuance or incurrence of further debt or granting of security may reduce the

amount recoverable by the Noteholders upon the winding-up or insolvency of the Issuer, which could have an adverse effect on the Issuer's ability to fulfil its obligations under the Notes as well as on the market price and value of the Notes.

***The Notes do not, as a rule, contain covenants on the Issuer's financial standing or operations and do not limit its ability to merge, demerge, effect asset sales or otherwise effect significant transactions that may have a material adverse effect on the Notes and the Noteholders.***

As a rule, the Notes do not contain provisions designed to protect Noteholders from a reduction in the creditworthiness of the Issuer. In particular, the terms and conditions of the Notes do not, except as set forth in Condition 8 (*Change of Control or Demerger Event*) of the terms and conditions of the Notes, which grant the Noteholders the right of repayment of the Notes in certain limited circumstances, restrict the Issuer's ability to enter into a merger as a receiving entity, partial demerger, asset sale or other significant transaction that could materially alter the Issuer's existence, legal structure of organisation or regulatory regime and/or its composition and business. In the event the Issuer were to enter into any such transaction, the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes may be materially and adversely affected.

***The Notes carry no voting rights at the Issuer's general meetings of shareholders.***

The Notes carry no voting rights with respect to the general meetings of shareholders (the "**General Meeting of Shareholders**") of the Issuer. Consequently, in the Issuer's General Meetings of Shareholders, the Noteholders cannot influence any decisions by the Issuer to redeem the Notes or any decisions by the Issuer's shareholders concerning, for instance, the capital structure of the Issuer, which could affect the Issuer's ability to make payments under the Notes.

***The Issuer is not obliged to compensate for withholding tax or similar on the Notes.***

In the event any withholding tax, public levy or similar is being imposed in respect of payments to Noteholders on amounts due pursuant to the Notes, the Issuer is not obliged to gross-up or otherwise compensate the Noteholders for the lesser amounts the Noteholders will receive as a result of the impositions of withholding tax or similar. Furthermore, the Noteholders do not have any right to premature redemption of the Notes based on the same.

#### **Risks Relating to the Terms and Conditions of the Notes**

***Since the Notes bear a fixed interest rate, their price may fall as a result of an increase in the interest rates.***

The Notes bear interest on their outstanding principal at a fixed interest rate. A holder of a security with a fixed interest rate is exposed to the risk that the price of such security could fall as a result of an increase in the market interest rate. Market interest rates follow the changes in general economic conditions, and are affected by, among many other things, demand and supply for money, liquidity, inflation rate, economic growth, central banks' benchmark rates, implied future rates, and changes and expectations related thereto.

While the nominal compensation rate of a security with a fixed interest rate is fixed during the term of such security or during a certain period of time, current interest rates on capital markets (market interest rates) typically change continuously. In case market interest rates increase, the market price of such a security typically falls. If market interest rates fall, the price of a security with a fixed interest rate typically increases. Consequently, the Noteholders should be aware that movements of market interest rates may result in a material decline in the market price of the Notes and can lead to losses for the Noteholders if they sell the Notes. Further, the past performance of the Notes is not an indication of their future performance.

***The Issuer using its right or being obligated to redeem and purchase the Notes prior to maturity may have an adverse effect on the Issuer and on any Notes outstanding.***

As specified in the terms and conditions of the Notes, the Noteholders are entitled to demand premature repayment of the Notes in cases specified in Condition 8 (*Change of Control or Demerger Event*) and Condition 10 (*Events of Default*) of the terms and conditions of the Notes. Such premature repayment may have an adverse effect on the Issuer's financial condition and prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes towards such Noteholders who elect not to exercise their right to have their Notes prematurely repaid as well as on the market price and value of such Notes.

In addition, as specified in the terms and conditions of the Notes, the Issuer may at any time purchase the Notes in any manner and at any price prior to maturity. Only if such purchases are made by tender, such tender must be available to all Noteholders alike. The Issuer is entitled to cancel, dispose of or hold the purchased Notes at its discretion. Consequently, a Noteholder offering Notes to the Issuer in connection with such purchases may not receive the full invested amount. Furthermore, a Noteholder may not have the possibility to participate in such purchases. The purchases – whether by tender or otherwise – may have a material adverse effect on such Noteholders who do not participate in the purchases as well as on the market price and value of such Notes.

In addition, as specified Condition 5.2 (*Voluntary redemption (call option)*) and Condition 5.3 (*Clean-up Call Option*) of in the terms and conditions of the Notes, the Notes contain optional redemption features, which may limit their market value. During any period when the Issuer may elect to redeem the Notes, the market value of the Notes may not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period.

The Issuer may be expected to redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

***The Issuer may not be able to finance the repurchase of Notes.***

As specified in the terms and conditions of the Notes, the Noteholders are entitled to demand premature repayment of the Notes in cases specified in Condition 8 (*Change of Control or Demerger Event*) and Condition 10 (*Events of Default*) of the terms and conditions of the Notes. The source for any repurchase required as a result of any such event will be available cash or cash generated from operating activities or other sources, including borrowings, sales of assets, sales of equity or funds provided by subsidiaries of the Issuer. There can be no assurance that the Issuer will have or will be able to generate sufficient funds to repurchase the Notes that have been requested to be repurchased.

***Amendments to the terms and conditions of the Notes bind all Noteholders.***

The terms and conditions of the Notes may be amended in certain circumstances with the required consent of a defined majority of the Noteholders. The terms and conditions of the Notes contain provisions for the Noteholders to call and attend meetings and arrange procedures in writing to consider and vote upon matters affecting their interests generally. Resolutions passed at such meetings may bind all Noteholders, including those who did not attend and vote at the relevant meeting and those who voted in a manner contrary to the majority. This may incur financial losses, among other things, to all Noteholders, including those who did not attend and vote at the relevant meeting or participate in the procedure in writing and those who voted in a manner contrary to the majority.

***The right to receive payments under the Notes is subject to time limitations.***

Under the terms and conditions of the Notes, if any payment under the Notes has not been claimed by the respective Noteholder within three (3) years from the relevant due date thereof, the right to such payment shall become permanently forfeited. Such forfeiture to receive payment causes financial losses to such Noteholders who have not claimed payment under the Notes within the time limit of three (3) years.

## GENERAL INFORMATION

### Issuer

Caverion Corporation  
Torpantie 2  
FI-01650 Vantaa  
Finland

### Joint Lead Managers for the Issue of the Notes

Nordea Bank Abp  
Satamaradankatu 5  
FI-00500 Helsinki  
Finland

Skandinaviska Enskilda Banken AB (publ)  
c/o Skandinaviska Enskilda Banken AB (publ) Helsinki Branch  
Eteläesplanadi 18  
FI-00130 Helsinki  
Finland

### Legal Counsel to the Issuer

DKCO Attorneys-at-law Ltd  
Unioninkatu 30  
FI-00100 Helsinki  
Finland

### Auditor

Ernst & Young Oy  
Alvar Aallon katu 5c  
FI-00100 Helsinki  
Finland

Auditor in charge Antti Suominen, Authorised Public Accountant.

### Responsibility Statement

This Listing Prospectus has been prepared by the Issuer and the Issuer accepts responsibility regarding the information contained in this Listing Prospectus. To the best knowledge of the Issuer, the information contained in this Listing Prospectus is in accordance with the facts and this Listing Prospectus makes no omission likely to affect its import.

### Forward-looking Statements

This Listing Prospectus contains forward-looking statements about Caverion's business that are not historical facts, but statements about future expectations. When used in this Listing Prospectus, the words "aims", "anticipates", "assumes", "believes", "estimates", "expects", "will", "intends", "may", "plans", "should" and similar expressions as they relate to Caverion or Caverion's management identify certain of these forward-looking statements. Other forward-looking statements can be identified in the context in which the statements are made. Forward-looking statements are set forth in a number of places in this Listing Prospectus regarding the future results, plans and expectations with regard to Caverion's business, and on growth, profitability and the general economic conditions to which Caverion is exposed.

These forward-looking statements are based on Caverion's present plans, estimates, projections and expectations. They are based on certain expectations, which, even though they seem to be reasonable at present, may turn out to be incorrect. Such forward-looking statements are based on assumptions and are subject to various risks and uncertainties. Prospective investors should not unduly rely on these forward-looking statements. Numerous factors may cause actual results, realised revenues or performance to differ materially from the results, revenues and performance expressed or implied in the forward-looking statements of Caverion. See "*Risk Factors*" for information on factors that could cause Caverion's actual results of operations, performance or achievements to differ materially.

Caverion expressly disclaims any obligation to update forward-looking statements or to adjust them in light of future events or developments, save as required by law or regulation.

## **Information Derived from Third-party Sources**

This Listing Prospectus contains information about Caverion's markets and Caverion's competitive position therein. Where certain market data and market estimates contained in this Listing Prospectus have been derived from third party sources, such as industry publications, the name of the source is given therein. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable, but the correctness and completeness of such information is not guaranteed. Information compiled and published by Euroconstruct has been referred to in this Listing Prospectus under "*Financial Information and Future Outlook*". The Issuer confirms that this information has been accurately reproduced herein and that, as far as the Issuer is aware and is able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, neither the Issuer nor the Joint Lead Managers have independently verified, nor do they give any assurances as to the appropriateness of, such information. Should this Listing Prospectus contain market data or market estimates in connection with which no source has been presented, such market data or market estimate is based on the Issuer's management's good faith and reasonable estimates.

## **No Incorporation of Website Information**

For the avoidance of doubt, other than the parts of the documents incorporated by reference and specified in "*Documents Incorporated by Reference*", this Listing Prospectus and any prospectus supplement published on the Issuer's website, the contents of the Issuer's website or any other website do not form a part of this Listing Prospectus, and prospective investors should not rely on such information in making their decision to invest in the Notes.

## **Other Information**

In this Listing Prospectus, references to "euro" or "EUR" are to the currency of the member states of the EU participating in the European Economic and Monetary Union, references to "U.S. dollar" or "USD" are to the lawful currency of the United States of America, references to "Swedish krona" and "SEK" are to the currency of the Kingdom of Sweden and references to "Norwegian krona" and "NOK" are to the currency of the Kingdom of Norway.

## **Notice to Investors**

Each Joint Lead Manager has represented, warranted and undertaken, and each further Joint Lead Manager appointed will be required to represent, warrant and undertake, that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Listing Prospectus or any related offering material, in all cases at its own expense. Other persons into whose hands this Listing Prospectus comes are required by the Issuer and the Joint Lead Managers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Listing Prospectus or any related offering material, in all cases at their own expense.

### ***Notice to Investors in the EEA***

In relation to each member state of the EEA (a "**Member State**"), each Joint Lead Manager has represented and agreed that it has not made and will not make an offer of Notes to the public in that Member State other than:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes shall require the Issuer or any Joint Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

### ***Prohibition of Sales to UK Retail Investors***

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the UK. For the purposes of this provision:

- (a) the expression **retail investor** means a person who is one (or more) of the following:
  - (i) a retail client, as defined in point (8) of Article 2 of EUWA; or

- (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the Financial Services and Markets Act 2000 to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

#### ***Notice to Prospective Investors in the United States***

The Notes have not been, and will not be, registered under the Securities Act and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph and not otherwise defined herein the preceding sentence have the meanings given to them by Regulation S. In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of the Notes within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

#### ***Notice to Prospective Investors in the UK***

The Listing Prospectus may only be distributed to, and is directed at (a) persons who have professional experience in matters relating to investments falling within article 19(1) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”) or (b) high net worth entities falling within article 49(2)(a) to (d) of the Order, and other persons to whom it may be lawfully communicated, falling within article 49(1) of the Order (all such persons together being referred to as “**relevant persons**”). Any person who is not a relevant person should not act or rely on this document or any of its contents.

#### ***The Notes may not be a suitable investment for all investors.***

Each prospective investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that investment in the Notes is consistent with its financial needs, objectives and condition, complies and is consistent with the investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the material risks inherent in investing in or holding the Notes.

A prospective investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or referred to in this Listing Prospectus;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the effect that the Notes can have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes;
- (iv) understand fully the terms of the Notes and be familiar with the behavior of any relevant financial market; and
- (v) be able to evaluate (either on its own or with the help of its financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

#### ***The completion of transactions relating to the Notes is dependent on Euroclear Finland’s operations and systems.***

The Notes are issued in the book-entry securities system of Euroclear Finland. Pursuant to the Act on the Book-Entry System and Clearing and Settlement (348/2017, as amended; in Finnish *laki arvo-osuusjärjestelmästä ja selvitystoiminnasta*), the Notes will not be evidenced by any physical note or document of title other than statements of account made by Euroclear Finland or its account operator. The Notes are dematerialised securities and title to the Notes is recorded and transfers of the Notes are perfected only through the relevant entries in the book-entry system and registers maintained by Euroclear Finland and its account operators. Therefore, timely and successful completion of transactions relating to the Notes, including but not limited to transfers of, and payments made under, the Notes, depend on the book-entry securities system being operational and that the relevant parties, including but not limited to the payment transfer bank and the account operators of the Noteholders, are functioning when transactions are executed. Any malfunction or delay in the book-entry securities system or any failure by any relevant party may result in the transaction involving the Notes not taking place as expected or being delayed, which may cause financial losses or damage to the Noteholders whose rights depended on the timely and successful completion of the transaction.

The Issuer or any other third party will not assume any responsibility for the timely and full functionality of the book-entry securities system. Payments under the Notes will be made in accordance with the laws governing the book-entry

securities system, the rules of Euroclear Finland and the terms and conditions of the Notes. For purposes of payments under the Notes, it is the responsibility of each Noteholder to maintain with its respective book-entry account operator up to date information on applicable bank accounts.

***Legislative amendments may take place during the term of the Notes.***

The Notes are governed by the laws of Finland, as in force from time to time. Finnish laws and regulations, including, but not limited to, tax laws and regulations, governing the Notes may change during the term of the Notes and new judicial decisions can be given and new administrative practices can be implemented. The Issuer makes no representations as to the effect of any such changes of laws or regulations, or new judicial decisions or administrative practices after the date of this Listing Prospectus.

## TERMS AND CONDITIONS OF THE NOTES

### Caverion Corporation EUR 75 million 2.750 per cent Notes due 2027

ISIN code: FI4000518212

The Board of Directors of Caverion Corporation (the “**Issuer**”) has in its meeting held on 14 December 2021 approved the issuance of senior unsecured notes (the “**Notes**”) referred to in paragraph 1 of Section 34 of the Act on Promissory Notes (622/1947, as amended, in Finnish *velkakirjalaki*) and authorised the person named therein to finally decide on the definitive terms and conditions of the Notes which are specified below.

Nordea Bank Abp and Skandinaviska Enskilda Banken AB (publ) will act as joint lead managers in connection with the offer and issue of the Notes (the “**Joint Lead Managers**”).

### MIFID II AND UK MiFIR PRODUCT GOVERNANCE / TARGET MARKET

MiFID II product governance / Professional investors, eligible counterparties and retail investors target market – Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU as amended (the “**MIFID II**”) (ii) the negative target market for the Notes is clients that seek full capital protection or full repayment of the amount invested, are fully risk averse/have no risk tolerance or need a fully guaranteed income or fully predictable return profile; and (iii) all channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**Distributor**”) should take into consideration the manufacturers’ target market assessment; however, a Distributor subject to MIFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the Issuer’s target market assessment) and determining appropriate distribution channels.

Solely for the purposes of the Issuer’s governance requirements, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (the “**COBS**”), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “**UK MiFIR**”); and (ii) the negative target market for the Notes is clients that seek full capital protection or full repayment of the amount invested, are fully risk averse/have no risk tolerance or need a fully guaranteed income or fully predictable return profile, and (iii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**Distributor**”) should take into consideration the Issuer’s target market assessment, however, a Distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the Issuer’s target market assessment) and determining appropriate distribution channels.

Important – EEA retail investors – The Notes are not PRIIPs for the purposes of Regulation ((EU) No 1286/2014) (the “**PRIIPs Regulation**”) and, accordingly, no key information document pursuant to the PRIIPs Regulation has been or will be made available in respect of the Notes.

### PROHIBITION OF SALES TO UK RETAIL INVESTORS

UK PRIIPS Regulation / UK Investor – The Notes 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 United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA which were relied on immediately before exit day to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

## 1. PRINCIPAL AMOUNT AND ISSUANCE OF THE NOTES

- 1.1 The principal amount of the Notes is 75 million euros (EUR 75,000,000) or a higher amount, as may be determined by the Issuer. The Issuer may later create and issue further notes having the same terms and conditions as the Notes, as further set out below under Condition 18 (*Further Issues of Notes*).
- 1.2 The Notes will be issued in dematerialised form in the Infinity book-entry securities system maintained by Euroclear Finland Ltd (“**Euroclear Finland**”), address Urho Kekkosen katu 5 C, FI-00100 Helsinki, Finland (or any system replacing or substituting the Infinity book-entry securities system in accordance with the rules and decisions of Euroclear Finland) in accordance with the Finnish legislation governing the book-entry system and book-entry accounts as well as the rules and decisions of Euroclear Finland. The Notes cannot be physically delivered.
- 1.3 The issue date of the Notes is 25 February 2022 (the “**Issue Date**”).
- 1.4 The Notes will be offered for subscription in a minimum amount of one hundred thousand euros (EUR 100,000). The principal amount of each book-entry unit (in Finnish *arvo-osuuden yksikkökoko*) is one hundred thousand euros (EUR 100,000). The number of the Notes is seven hundred and fifty (750) or a higher number if the Issuer decides to increase the principal amount of the Notes. Each Note will be freely transferable after it has been registered into the respective book-entry account.
- 1.5 Nordea Bank Abp shall act as the issuer agent (in Finnish *liikkeeseenlaskijan asiamies*) of the Notes referred to in the rules of Euroclear Finland (the “**Issuer Agent**”) and as the paying agent of the Notes (the “**Paying Agent**”).

## 2. SUBSCRIPTION OF THE NOTES

- 2.1 The subscription period shall commence and end on 17 February 2022 (the “**Subscription Date**”).
- 2.2 The Notes shall be offered for subscription to eligible counterparties, professional clients and retail clients (each as defined in Directive 2014/65/EU, as amended) outside of the United States, Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa or such other countries or otherwise in such circumstances in which the release, publication or distribution would be unlawful, through a book-building procedure (*private placement*).
- 2.3 Bids for subscription shall be submitted on the Subscription Date during regular business hours to (i) Nordea Bank Abp, Satamaradankatu 5, FI-00020 NORDEA, Finland, tel. +358 9 369 50880; or (ii) Skandinaviska Enskilda Banken AB (publ), Helsinki Branch, Eteläesplanadi 18, FI-00130 Helsinki, telephone +358 (0)9 616 2800.
- 2.4 Subscriptions made are irrevocable. All subscriptions remain subject to the final acceptance by the Issuer. The Issuer may, in its sole discretion, reject a subscription in part or in whole. The Issuer shall decide on the procedure in the event of over-subscription. After the final allocation and acceptance of the subscriptions by the Issuer, each investor that has submitted a subscription shall be notified by the relevant Joint Lead Manager whether and, where applicable, to what extent such subscription is accepted.
- 2.5 Subscriptions shall be paid for as instructed in connection with the subscription of the Notes. The Notes subscribed and paid for shall be created by the Issuer Agent and approved by Euroclear Finland in the Infinity book-entry securities system and routed by the Issuer Agent to the respective book-entry accounts of the subscribers on a date advised in connection with the issuance of the Notes in accordance with the Finnish legislation governing book-entry system and book-entry accounts as well as the rules and decisions of Euroclear Finland.

## 3. ISSUE PRICE

- 3.1 The issue price of the Notes is 99.425 per cent.

## 4. INTEREST

- 4.1 The Notes bear fixed interest at the rate of 2.750 per cent per annum.
- 4.2 The interest on the Notes will be paid annually in arrears commencing on 25 February 2023 and thereafter annually on each 25 February (each an “**Interest Payment Date**”) until the Notes have been repaid in full.

Interest shall accrue for each interest period from (and including) the first day of the interest period to (but excluding) the last day of the interest period on the principal amount of Notes outstanding from time to time. The first interest period commences on the Issue Date and ends on the first Interest Payment Date. Each consecutive interest period begins on the previous Interest Payment Date and ends on the following Interest Payment Date. The last interest period ends on the date when the Notes have been repaid in full.

4.3 Interest in respect of the Notes will be calculated on the basis of the actual number of calendar days elapsed in the relevant interest period divided by 365 (or, if any portion of the interest period falls in a leap year, 366) (actual / actual ICMA).

## 5. REDEMPTION

### 5.1 Redemption at maturity

The Notes shall be repaid in full at their nominal principal amount on 25 February 2027 (the “**Redemption Date**”), unless the Issuer has prepaid the Notes in accordance with Condition 5.2 (*Voluntary redemption*), Condition 5.3 (*Clean-up Call Option*), Condition 8 (*Change of Control or Demerger Event*) or Condition 10 (*Events of Default*) below.

### 5.2 Voluntary redemption (call option)

5.2.1 The Issuer may redeem the Notes, in each case in whole but not in part:

(a) at any time from and including the first Business Day (as defined below under Condition 7 (*Payments*)) falling twenty-four (24) months after the Issue Date and before the first Business Day falling three (3) months prior to the Redemption Date, at an amount equal to one hundred (100) per cent of their nominal principal amount together with all remaining interest payments from and including the date of redemption (the “**Voluntary Redemption Date**”) to (but excluding) the day falling three (3) months prior to the Redemption Date, together with any accrued but unpaid interest to but excluding the Voluntary Redemption Date; and

(b) at any time from and including the first Business Day falling three (3) months prior to the Redemption Date (*3 month par call*), at an amount equal to one hundred (100) per cent of their nominal principal amount together with any accrued but unpaid interest to but excluding the Voluntary Redemption Date.

5.2.2 Redemption in accordance with this Condition 5.2 shall be made by the Issuer giving not less than thirty (30) but no more than sixty (60) calendar days’ irrevocable notice prior to the Voluntary Redemption Date, which notice shall specify the Voluntary Redemption Date, to the Issuer Agent and the holders of the Notes (the “**Noteholders**”), in accordance with Condition 13 (*Notices and right to information*).

### 5.3 Clean-up Call Option

If the outstanding aggregate principal amount of the Notes is twenty-five (25) per cent or less of the aggregate principal amount of the Notes (for the avoidance of doubt, including any further issues of Notes under Condition 18 (*Further Issues of Notes*)), the Issuer may, at its option, at any time, redeem all (but not only some) of the outstanding Notes at their principal amount together with any accrued but unpaid interest to, but excluding, the date fixed for redemption, subject to the Issuer having given the Noteholders not less than fifteen (15) nor more than forty-five (45) calendar days’ prior notice (which notice shall be irrevocable) in accordance with Condition 13 (*Notices and Right to Information*).

## 6. STATUS AND SECURITY

The Notes constitute direct, unsecured, unguaranteed and unsubordinated obligations of the Issuer ranking *pari passu* among each other and at least *pari passu* with all other present and future unsecured, unguaranteed and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by mandatory provisions of law.

## 7. PAYMENTS

7.1 Interest on and principal of the Notes shall be paid in accordance with the Finnish legislation governing book-entry system and book-entry accounts as well as the rules and decisions of Euroclear Finland.

- 7.2 Should any Interest Payment Date, the Voluntary Redemption Date or the Redemption Date fall on a date which is not a Business Day (as defined below), the payment of the amount due will be postponed to the following Business Day. Any such postponement of the payment date shall not have an impact on the amount payable.

“**Business Day**” means for the purposes of these terms and conditions a day on which banks in Helsinki are open for general business and on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open.

## 8. CHANGE OF CONTROL OR DEMERGER EVENT

- 8.1 Upon the occurrence of a Change of Control Event or Demerger Event (defined at the end of this Condition 8), each Noteholder shall have the right to request that all of its Notes be repurchased at a price per Note equal to 100 per cent of their nominal principal amount together with accrued but unpaid interest, during a period of twenty (20) Business Days following a notice from the Issuer of the relevant event pursuant to Condition 13 (*Notices and right to information*) (after which time period such right shall lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event or the Demerger Event.
- 8.2 The notice from the Issuer pursuant to Condition 13 (*Notices and right to information*) shall specify the repurchase date that is a Business Day and include instructions about the actions that a Noteholder needs to take if it wants Notes held by it to be repurchased. If a Noteholder has so requested and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall, or shall procure that a Person designated by the Issuer will, repurchase the relevant Notes and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Condition 13 (*Notices and right to information*). The repurchase date must not fall no later than forty (40) Business Days after the end of the period referred to in Condition 8.1.
- 8.3 The Issuer shall comply with the requirements of any applicable securities laws and regulations in connection with the repurchase of Notes. To the extent that the provisions of such laws and regulations conflict with the provisions in this Condition 8, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Condition 8 by virtue of the conflict.
- 8.4 Any Notes repurchased by the Issuer pursuant to this Condition 8 may at the Issuer’s discretion be retained, sold or cancelled.
- 8.5 The Issuer shall not be required to repurchase any Notes pursuant to this Condition 8, if a third party in connection with the occurrence of a Change of Control Event or Demerger Event offers to purchase the Notes in the manner and on the terms set out in this Condition 8 (or on terms more favourable to the Noteholders) and purchases all Notes validly tendered in accordance with such offer. The Issuer shall not be required to repurchase any Notes pursuant to this Condition 8.5 if it has exercised its right to redeem all of the Notes in accordance with Condition 5.2 (*Voluntary redemption (call option)*) prior to the occurrence of the Change of Control Event or Demerger Event.
- 8.6 If pursuant to this Condition 8 the outstanding aggregate principal amount of the Notes is twenty-five (25) per cent or less of the aggregate principal amount of the Notes (for the avoidance of doubt, including any further issues of Notes under Condition 18 (*Further Issues of Notes*)), the Issuer is entitled to repurchase all the remaining outstanding Notes in accordance with Condition 5.3 (*Clean-up Call Option*).
- 8.7 Each Noteholder agrees, with the respect to the Notes it holds, not to exercise, and hereby waives in advance, its right in accordance with the Finnish Companies Act (624/2006, as amended, in Finnish *osakeyhtiölaki*) to object to a Demerger Event whether or not it elects to exercise the right to require prepayment in the case of a Demerger Event.

“**Change of Control Event**” means the occurrence of an event or series of events whereby any Person or a group of Persons, acting in concert, acquires control over the Issuer and where “control” means (a) acquiring ownership of more than 50 per cent of the voting share capital of the Issuer (b) becoming capable of appointing the majority of the board of directors of the Issuer, and “acting in concert” means that a Person or group of Persons pursuant to agreement or understanding (whether formal or informal) actively co-operate, through the acquisition by any of them, either directly or indirectly, of shares in the Issuer or attempting otherwise to obtain or consolidate control of the Issuer.

“**Demerger**” means a demerger pursuant to the Chapter 17 of the Finnish Companies Act.

“**Demerger Event**” means in respect of the Issuer, completion of a demerger pursuant to Chapter 17 of the Finnish Companies Act.

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

## 9. NEGATIVE PLEDGE

So long as any Note remains outstanding, the Issuer shall not, and the Issuer shall ensure that none of its Subsidiaries (as defined below) will, create any mortgage, charge, lien, pledge or other security interest to secure any other notes, bonds or other similar debt securities that are capable of being listed on a stock exchange or subject to trading on a regulated market or multilateral trading facility (nor create any such security interest to secure any guarantee or indemnity over such notes, bonds or other similar debt securities), unless the granting of such security interest is required under Finnish law or other law governing such notes or other debt securities, or unless prior to or simultaneously therewith the Issuer’s obligations under the Notes either (i) are secured equally and ratably therewith, or (ii) have the benefit of such other security interest or other arrangement (whether or not it includes the granting of a security interest) as shall be approved by a resolution of the Noteholders (as referred to in Condition 12 (*Noteholders’ Meeting and Procedure in Writing*)).

“**Subsidiary**” means for the purposes of these terms and conditions a subsidiary within the meaning of Chapter 1, Section 6 of the Bookkeeping Act (1336/1997, as amended, in Finnish *kirjanpitolaki*).

## 10. EVENTS OF DEFAULT

If an Event of Default (as defined below) occurs, any Noteholder may by a written notice to the Issuer declare the outstanding nominal principal amount of the Notes held by it together with the interest and any other amounts then accrued on such Note to be prematurely due and payable at the earliest on the tenth (10<sup>th</sup>) Business Day from the date such notice was received by the Issuer provided that an Event of Default is continuing on the date of receipt of the notice by the Issuer and on the specified early repayment date (the “**Early Repayment Date**”). An Event of Default is continuing if it has not been remedied or waived. Interest on such Note accrues until the Early Repayment Date (excluding the Early Repayment Date). The Issuer shall notify the Noteholders of any Event of Default (and the steps, if any, taken to remedy it) in accordance with Condition 13 (*Notices and right to information*) promptly upon becoming aware of its occurrence.

Each of the following events shall constitute an event of default (each an “**Event of Default**”):

- (a) **Non-Payment:** any amount of interest on or principal of the Notes has not been paid within five (5) Business Days from the relevant due date, unless the failure to pay is caused by a reason referred to in Condition 14 (*Force majeure*);
- (b) **Cross-default:** any outstanding Indebtedness (as defined below) of the Issuer or any of its Material Subsidiaries (as defined below) in a minimum amount of ten 10 million (EUR 10,000,000) or its equivalent in any other currency is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described) or if any such Indebtedness is not paid when due nor within any originally applicable grace period, if any, or if any security given by the Issuer or any of its Material Subsidiaries for any such Indebtedness becomes enforceable by reason of an event of default. A Noteholder shall not be entitled to demand repayment under this paragraph (b) if the Issuer or any of its Material Subsidiaries has bona fide disputed the existence of the occurrence of an Event of Default under this paragraph (b) in the relevant court or in arbitration within forty-five (45) calendar days of the date when the Issuer or its Material Subsidiary became aware of such alleged Event of Default as long as such dispute has not been finally and adversely adjudicated against the Issuer without any appeal period;
- (c) **Negative Pledge:** the Issuer does not comply with its obligations under Condition 9 (*Negative pledge*);
- (d) **Cessation of Business:** the Issuer ceases to carry on its current business in its entirety;
- (e) **Winding-up:** an order is made or an effective resolution is passed for the winding-up (in Finnish *selvitystila*), liquidation or dissolution of the Issuer or any of its Material Subsidiaries (as defined below) except for (i) actions which are frivolous (in Finnish *perusteeton*) or vexatious (in Finnish *oikeuden väärinkäyttö*), or (ii) in the case of a Material Subsidiary, on a voluntary solvent basis or (iii) such applications that are contested in good faith and as long as such application has not been finally and adversely adjudicated against the Issuer or its Material Subsidiary without any appeal period; or

- (f) **Insolvency:** (i) the Issuer or any of its Material Subsidiaries becomes insolvent or is unable to pay its debts as they fall due; (ii) the Issuer or any of its Material Subsidiaries, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors other than the Noteholders in their capacity as such with a view to rescheduling any of its Indebtedness; or (iii) an application is filed for the Issuer or any of its Material Subsidiaries becoming subject to bankruptcy (in Finnish *konkurssi*) or re-organisation proceedings (in Finnish *yrittysaneeraus*), or for the appointment of an administrator or liquidator of any of the Issuer's or its Material Subsidiaries' assets, save for any such applications that are contested in good faith and discharged, stayed or dismissed within forty-five (45) calendar days;

**"Indebtedness"** means, for the purposes of these terms and conditions, interest-bearing debt and guarantees (whether principal, premium, interest or other amounts) in respect of any notes, bonds or other debt securities or any borrowed money, excluding however any guarantees or indemnities (including, but not limited to, rental guarantees, counter-indemnities relating to bank guarantees, letters of credit or similar instruments issued by a bank or a credit institution) granted in the ordinary course of business of a member of the Group and on arms-length basis.

**"Material Subsidiary"** means, for the purposes of these terms and conditions, at any time, any Subsidiary of the Issuer:

- (a) the consolidated book value of assets of which is ten per cent or more of the book value of the total consolidated assets of the Group; and/or
- (b) the consolidated turnover of which is ten per cent or more of the total consolidated turnover of the Group, as determined by reference to the then most recent financial statements published by the Issuer.

**"Group"** means for the purposes of these terms and conditions a group (in Finnish *konserni*) within the meaning of Chapter 1, Section 6 of the Bookkeeping Act (1336/1997, as amended, in Finnish *kirjanpitolaki*).

## 11. TAXATION

All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of Finland or any political subdivision or authority of Finland having power to tax, unless the withholding or deduction of the Taxes is required by law. In such case, the Issuer shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. The Issuer will not be obligated to make any additional payments to Noteholders in respect of such withholding or deduction.

## 12. NOTEHOLDERS' MEETING AND PROCEDURE IN WRITING

- (a) The Issuer may convene a meeting of Noteholders (a "**Noteholders' Meeting**") or request a procedure in writing among the Noteholders (a "**Procedure in Writing**") to decide on amendments of these terms and conditions or other matters as specified below. Euroclear Finland and the Issuer Agent must be notified of a Noteholders' Meeting or a Procedure in Writing in accordance with the rules of Euroclear Finland.
- (b) Notice of a Noteholders' Meeting and the initiation of a Procedure in Writing shall be published in accordance with Condition 13 (*Notices and right to information*) no later than ten (10) calendar days prior to the Noteholders' Meeting or the last day for replies in the Procedure in Writing. Furthermore, the notice or the initiation shall specify the time, place and agenda of the Noteholders' Meeting or the last day and address for replies in the Procedure in Writing (or if the voting is to be made electronically, instructions for such voting) as well as any action required on the part of a Noteholder to attend the Noteholders' Meeting or to participate in the Procedure in Writing. No matters other than those referred to in the notice of Noteholders' Meeting or initiation of the Procedure in Writing may be resolved upon at the Noteholders' Meeting or the Procedure in Writing.
- (c) Only those who, according to the register kept by Euroclear Finland in respect of the Notes, were registered as Noteholders on the fifth (5<sup>th</sup>) Business Day prior to the Noteholders' Meeting or on the last day for replies in the Procedure in Writing on the list of Noteholders to be provided by Euroclear Finland in accordance with Condition 13 (*Notices and right to information*), or proxies authorised by such Noteholders, shall, if holding any of the principal amount of the Notes at the time of the Noteholders' Meeting or the last day for replies in the Procedure in Writing, be entitled to vote at the Noteholders'

Meeting or in the Procedure in Writing and shall be recorded in the list of the Noteholders present in the Noteholders' Meeting or participating in the Procedure in Writing.

- (d) A Noteholders' Meeting shall be held in Helsinki, Finland, and its chairman shall be appointed by the Issuer. At the Issuer's discretion, a Noteholder's Meeting may also be held (or participation to a physical meeting enabled) by telecommunications or other electronic or technical means.
- (e) A Noteholders' Meeting or a Procedure in Writing shall constitute a quorum only if one (1) or more Noteholders holding in aggregate at least fifty (50) per cent of the principal amount of the Notes outstanding are/is present (in person or by proxy) in the Noteholders' Meeting or provide/provides replies in the Procedure in Writing. Any holdings of the Notes by the Issuer and any companies belonging to its Group (as defined below in Condition 10 (*Events of Default*)) are not included in the assessment whether or not a Noteholders' Meeting or a Procedure in Writing shall constitute a quorum.
- (f) If, within thirty (30) minutes after the time specified for the start of the Noteholders' Meeting, a quorum is not present, any consideration of the matters to be dealt with at the Noteholders' Meeting may, at the request of the Issuer, be adjourned for consideration at a Noteholders' Meeting to be convened on a date no earlier than ten (10) calendar days and no later than forty-five (45) calendar days after the original Noteholders' Meeting at a place to be determined by the Issuer. Correspondingly, if by the last day to reply in the Procedure in Writing no quorum is reached, the time for replies may be extended as determined by the Issuer. The adjourned Noteholders' Meeting or the extended Procedure in Writing shall constitute a quorum if one (1) or more Noteholders holding in aggregate at least ten (10) per cent of the principal amount of the Notes outstanding are/is present in the adjourned Noteholders' Meeting or provide/provides replies in the extended Procedure in Writing.
- (g) Notice of an adjourned Noteholders' Meeting or the extension of the time for replies in the Procedure in Writing, shall be given in the same manner as notice of the original Noteholders' Meeting or the Procedure in Writing. The notice shall also state the conditions for the constitution of a quorum.
- (h) Voting rights of the Noteholders shall be determined according to the principal amount of the Notes held on the date referred to in Condition 12(c) above. The Issuer and any companies belonging to its Group shall not hold voting rights at the Noteholders' Meeting or in the Procedure in Writing.
- (i) Subject to Condition 12(j) below, resolutions shall be carried by a majority of more than fifty (50) per cent of the votes cast.
- (j) A Noteholders' Meeting or a Procedure in Writing is entitled to make the following decisions that are binding on all the Noteholders:
  - (i) to amend these terms and conditions of the Notes; and
  - (ii) to grant a temporary waiver on these terms and conditions of the Notes.

However, consent of at least seventy-five (75) per cent of the aggregate principal amount of the outstanding Notes is required to:

- (i) decrease the principal amount of or interest on the Notes;
- (ii) extend the maturity of the Notes;
- (iii) amend the requirements for the constitution of a quorum at a Noteholders' Meeting or Procedure in Writing; or
- (iv) amend the majority requirements of the Noteholders' Meeting or Procedure in Writing.

The consents can be given at a Noteholders' Meeting, in the Procedure in Writing or by other verifiable means.

The Noteholders' Meeting and the Procedure in Writing can authorise a named person to take necessary action to enforce the decisions of the Noteholders' Meeting or of the Procedure in Writing.

- (k) When consent from the Noteholders representing the requisite majority, pursuant to Condition 12(i) or Condition 12(j), as applicable, has been received in the Procedure in Writing, the relevant decision shall be deemed to be adopted even if the time period for replies in the Procedure in Writing has not yet expired,

provided that the Noteholders representing such requisite majority are registered as Noteholders on the list of Noteholders provided by Euroclear Finland in accordance with Condition 13 (*Notices and right to information*) on the date when such requisite majority is reached.

- (l) A representative of the Issuer and a person authorised to act for the Issuer may attend and speak at a Noteholders' Meeting.
- (m) Resolutions passed at a Noteholders' Meeting or in the Procedure in Writing shall be binding on all Noteholders irrespective of whether they have been present at the Noteholders' Meeting or participated in the Procedure in Writing, and irrespective of how and if they have voted.
- (n) Resolutions passed at a Noteholders' Meeting or in the Procedure in Writing shall be notified to the Noteholders in accordance with Condition 13 (*Notices and right to information*). In addition, Noteholders are obliged to notify subsequent transferees of the Notes of the resolutions of the Noteholders' Meeting or the Procedure in Writing.

The Issuer shall have the right to amend the technical procedures relating to the Notes in respect of payments or other similar matters without the consent of the Noteholders, a Noteholders' Meeting or a Procedure in Writing. For the sake of clarity, any resolution at a Noteholders' Meeting or in a Procedure in Writing, which extends or increases the obligations of the Issuer, or limits, reduces or extinguishes the rights or benefits of the Issuer, shall be subject to the consent of the Issuer.

### **13. NOTICES AND RIGHT TO INFORMATION**

- 13.1 Noteholders shall be advised of matters relating to the Notes by (i) a notice published on the official website of the Issuer, and/or (ii) with a stock exchange release. Alternatively, the Issuer may deliver notices on the Notes in writing directly to the Noteholders at the address appearing on the list of the Noteholders provided by Euroclear Finland in accordance with the below paragraph (or e.g. through Euroclear Finland's book-entry system or account operators of the book-entry system). Any such notice shall be deemed to have been received by the Noteholders when published in the manner specified in this Condition 13.
- 13.2 Notwithstanding any secrecy obligation, the Issuer and the Issuer Agent shall, subject to the rules of Euroclear Finland and applicable laws, be entitled to obtain information on the Noteholders from Euroclear Finland and Euroclear Finland shall be entitled to provide such information to the Issuer. Furthermore, the Issuer and the Issuer Agent shall, subject to the rules of Euroclear Finland and applicable laws, be entitled to obtain from Euroclear Finland a list of the Noteholders, provided that it is technically possible for Euroclear Finland to maintain such list. Each Noteholder shall be considered to have given its consent to actions described above by subscribing or purchasing a Note.

Address for notices to the Issuer is as follows:

Caverion Corporation  
Attention: CFO  
P.O. Box 71, FI-01061 Vantaa, Finland

### **14. FORCE MAJEURE**

The Issuer, the Joint Lead Managers, the Issuer Agent or the Paying Agent shall not be responsible for any losses of the Noteholders resulting from:

- (a) action of any authorities, war or threat of war, rebellion or civil unrest;
- (b) disturbances in postal, telephone or electronic communications or the supply of electricity which are due to circumstances beyond the reasonable control of the Issuer, the Joint Lead Managers, the Issuer Agent or the Paying Agent and that materially affect operations of any of them;
- (c) any interruption of or delay in any functions or activities of the Issuer, the Joint Lead Managers, the Issuer Agent or the Paying Agent as a result of fire or other similar disaster;
- (d) any industrial action, such as strike, lockout, boycott or blockade affecting materially the activities of the Issuer, the Joint Lead Managers, the Issuer Agent or the Paying Agent even if it only affects part of the employees of any of them and whether any of them is involved therein or not; or

- (e) any other similar force majeure or hindrance which makes it unreasonably difficult to carry on the activities of the Issuer, the Joint Lead Managers, the Issuer Agent or the Paying Agent.

**15. PRESCRIPTION**

In case any payment under the Notes has not been claimed by the respective Noteholder entitled to this payment within three (3) years from the original due date thereof, the right to such payment shall be forfeited by such Noteholder and the Issuer shall be permanently free from such payment.

**16. LISTING**

No later than 30 April 2022, an application will be made to have the Notes listed on the official list of the Helsinki Stock Exchange maintained by Nasdaq Helsinki Ltd and continue to being listed thereon as long as any Note is outstanding.

**17. PURCHASES**

- 17.1 The Issuer may at any time purchase Notes in any manner and at any price. If purchases are made through a tender offer, the possibility to tender must be available to all Noteholders alike subject only to restrictions arising from mandatory securities laws.
- 17.2 The Issuer shall be entitled to cancel, dispose of or hold the Notes purchased in accordance with the first paragraph of this Condition 17.

**18. FURTHER ISSUES OF NOTES**

The Issuer may from time to time, without the consent of or notice to the Noteholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them, the issue price and/or the minimum subscription amount thereof) by increasing the maximum principal amount of the Notes or otherwise. For the avoidance of doubt, this Condition 18 shall not limit the Issuer's right to issue any other notes.

**19. INFORMATION**

Copies of the documents relating to the Notes shall be available for inspection during regular office hours at the office of (i) the Issuer at Torpantie 2, FI-01650 Vantaa, Finland; (ii) Nordea Bank Abp, Satamaradankatu 5, FI-00020 NORDEA, Finland, and (iii) Skandinaviska Enskilda Banken AB (publ) Helsinki Branch, Eteläesplanadi 18, FI-00130 Helsinki, Finland.

**20. APPLICABLE LAW AND JURISDICTION**

- 20.1 The Notes are governed by Finnish law.
- 20.2 Any disputes relating to the Notes shall be settled in the first instance at the District Court of Helsinki (in Finnish *Helsingin käräjäoikeus*).

## ADDITIONAL INFORMATION ON THE ISSUE OF THE NOTES

Decisions and authorisations .....	Authorisation by the Board of Directors of the Issuer on 14 December 2021.
Type of issue.....	The Notes were offered for subscription to eligible counterparties, professional investors and retail investors. The principal amount of the Notes (EUR 75,000,000) was issued on 25 February 2022.
Interest of the Joint Lead Managers in the issue of the Notes ...	Business interest customary in the financial markets.  The Joint Lead Managers and other entities within the same group and/or their respective affiliates have performed, and may in the future perform, advisory, consulting and/or banking services for Caverion in the ordinary course of their business for which they have received, or will receive, customary fees and expenses. In addition, the Joint Lead Managers also act as dealer managers in the tender offer relating to the Existing Notes. Furthermore, certain of the Joint Lead Managers or their respective affiliates have acted and may in the future act as arrangers or lenders under certain facility agreements of Caverion for which they have received, or will receive, customary fees and expenses. The Joint Lead Managers and their respective affiliates may hold long or short positions, and may trade or otherwise effect transactions, for their own account or the accounts of their customers, in debt or equity securities of the Issuer.
Form of the Notes.....	Dematerialised securities issued in book-entry form in the book-entry system maintained by Euroclear Finland.
Listing.....	Application will be made to have the Notes listed on Nasdaq Helsinki.
Estimated time of Listing.....	By end of April 2022.
Trading of the Notes .....	The trading on the Notes is expected to begin by end of April 2022.
Effective yield of the Notes .....	As at the Issue Date at the issue price of 99.425 per cent, the effective yield of the Notes is 2.875 per cent per annum.
Expenses.....	The Issuer's estimated expenses relating to the issue of the Notes are approximately EUR 0.4 million.
Net proceeds .....	The aggregate net proceeds to the Issuer from the Offering, after deduction of the fees and expenses payable by the Issuer, will be approximately EUR 74.2 million.
ISIN Code of the Notes.....	FI4000518212.
Tender offer .....	On 14 February 2022, the Issuer announced an invitation to holders of the Existing Notes to tender their Existing Notes for purchase by Nordea Bank Abp, on behalf of the Issuer, for cash (the " <b>Tender Offer</b> "). The Tender Offer was made on the terms and subject to the conditions contained in the tender offer memorandum dated 14 February 2022 (the " <b>Tender Offer Memorandum</b> "). On 24 February 2022, Nordea Bank Abp, on behalf of the Issuer, completed a purchase of an aggregate nominal amount of EUR 71,457,000 of the Existing Notes validly tendered in the Tender Offer. As at the date of this Listing Prospectus, the total outstanding nominal amount of the Existing Notes is EUR 3,543,000.
Reasons for the issue and use of proceeds.....	Net proceeds from the issue of the Notes will be used for the partial repurchase of the Existing Notes and the remaining proceeds for general corporate purposes.
Publication.....	The result of the Offering was announced on 17 February 2022 as a stock exchange release.
Address of Euroclear Finland .....	Urho Kekkosen katu 5 C, FI-00100.

## INFORMATION ABOUT THE GROUP

### General

Caverion Corporation was established in June 2013, through the demerger of building services and industrial services businesses from YIT Group. Trading in Caverion shares on Nasdaq Helsinki began 1 July 2013.

By making built environments smart and sustainable, Caverion enables performance and people's wellbeing. Customers can trust Caverion's expert guidance during the entire life cycle of their buildings, infrastructure or industrial sites and processes: from advisory services to design & build, projects, technical and industrial maintenance as well as facility management. Caverion's customers are supported by over 14,000 professionals in 10 countries in Northern and Central Europe. Caverion's customer promise is Building Performance. Caverion is contributing to a carbon-neutral society through its energy-efficient and sustainable solutions and will continue developing them in accordance with customer demands. Caverion's target by 2030 is to create sustainable impact through its solutions, with a positive carbon handprint 10 times greater than the carbon footprint of Caverion.

### Business Overview

According to Caverion's management, Caverion is among Europe's leading providers of technical solutions for buildings and industries. Caverion's service areas span the whole life cycle of buildings and industries. Caverion's service offerings form a modular system. The potent combination of Caverion's competences secures clients with actively managed life cycle solutions for commercial, industrial, public and residential buildings and processes. Caverion's business is supported by megatrends such as increasing technology, improving energy efficiency, growing digitalisation and continuing urbanisation.

Caverion's business operations are divided into two business units: Services and Projects. In 2021, the Services business unit accounted for approximately 66 per cent of Group revenue (approximately 63 per cent in 2020) and the Projects business unit accounted for approximately 34 per cent of Group revenue (approximately 37 per cent in 2020). In recent years, the Services business unit has continuously increased its share of Group revenue, up from approximately 48 per cent in 2016.

### Services Business Unit

Caverion is a partner for its customers within built environment services, from technical maintenance and property management services to solutions based on smart technologies and advisory services. Being a forerunner in sustainability, digitalisation and technology, supported by a wide local service network, Caverion offers its customers sustainable, flexible and high-quality services. Caverion's focus is on delivering impactful outcomes for its customers, such as carbon footprint decrease, energy savings, improved end-user satisfaction and optimal building conditions. Caverion's goal is to be a leading service company and customers' trusted partner, and to profitably grow faster than the market.

Caverion has more than 30,000 properties in service, with over 10,000 properties being digitally monitored. Caverion's full scale services and solutions are used in commercial, industrial, public and residential buildings and processes ensuring business continuity, safe, healthy and comfortable conditions, optimised performance and cost control. Caverion's Services business unit includes preventive and condition-based maintenance, digital services, as well as managed services such as facility management and energy management. Caverion's Services business handles a large number of service orders annually. Caverion has a wide range of technical expertise based on long-term experience. The services business in general is still to a certain extent fragmented and local to its nature.

Technical maintenance services are typically provided under fixed-price service agreements covering several technical disciplines with various service levels and an opportunity for 24/7 remote property monitoring, enabling significant energy and cost savings and benchmarking the property's consumption history against similar properties. Remote monitoring also helps in optimising the performance and maintenance intervals of the property's technical equipment and systems.

Caverion's service concepts can also be utilised to improve industrial productivity and preventive maintenance by using smart sensors to measure the actual condition of machines and employs real-time analytics to predict the occurrence of possible faults. In addition, Caverion provides renovation, modernisation and installation of technical equipment as well as energy savings, which may improve the energy standards of facilities, secure the value of buildings and enable management of reputational liabilities.

Among other things, Caverion provides energy advice services. These services aim to reduce the environmental impact without compromising the indoor environment and comfortable working conditions. Energy advice is Caverion's pledge to the environment and its clients' businesses. Caverion provides effective advice and comprehensive planning services regarding the energy strategies, energy audits and energy measurements. Caverion helps clients to find the right technologies and technical solutions for unique needs from a wide array of options. Caverion reduce the clients' risk by

ensuring that all regulations are followed. Caverion's services include the following four main areas: feasibility design, technical inspections and audits, simulations as well as environmental certifications.

Caverion aims to identify areas in the clients' business where efficiencies can be achieved. Caverion's personnel works together with clients on business development, creating benefits, such as improving productivity and performance, increasing satisfaction, cutting costs, reducing the carbon footprint as well as gaining strategic competitive advantage. Caverion provides business advice in the following areas: asset assessment and analysis, operational assessment and analysis as well as technical due diligence.

Caverion operates, develops and maintains technology and systems and related processes in commercial, industrial and residential buildings, taking overall responsibility and putting the client in the centre. Compared to traditional property maintenance, managed services agreements can cover all services related to facility management and maintenance, with Caverion assuming greater responsibility for achieving certain conditions and targets and controlling costs. For industrial clients, managed services partnerships mean that Caverion will shoulder overall responsibility for maintenance as well as partial responsibility for meeting production targets.

Caverion's life cycle solutions include design, installation of building systems, operation, maintenance as well as renovation throughout the contract period with a maintenance period of up to 25 years against fixed pricing principles throughout the term of agreement. Opportunities for additional bonuses for Caverion and possible decreases in services are evaluated annually and are of minor economic value. Due to special features, the likelihood of concluding agreements is high. The retention rate for such agreements is excellent and annual turnover is low.

### Projects Business Unit

Caverion delivers building technology and infrastructure projects for new building investments and modernisations. Caverion's Projects business unit includes technical installation projects and larger projects such as design and build as well as tender-based projects. As a lifecycle partner with design and build expertise, Caverion is capable of installing all building technologies. Caverion enables its customers' building performance with smart and energy efficient solutions, always focusing on connectivity and human-centric design.

As part of its Projects business unit, Caverion delivers technical installations for both building renovations and future properties. Delivery contracts can cover one or more technical disciplines, such as material delivery and installation of ventilation, electricity or building automation. Caverion has special expertise in technical design and installations for demanding facilities, such as clean rooms and premises with high acoustic demands. Caverion also delivers projects to industrial clients across the Nordic countries, including pipe and electricity installations and customised project deliveries of maintenance and modernisation services during shutdown.

Caverion also handles a significant amount of large projects that are either design and build projects covering planning and execution or tender-based projects. In design and build projects, Caverion acts as partner to the main contractor and is in charge of procurement, planning and building systems. From the clients' perspective, working with one partner reduces the need for coordination between various contractors, makes risk management easier and improves execution quality. The coordination of the planning and execution phases also accelerates project implementation and reduces costs. The planning and execution phases in large projects have an average duration of 3-12 months and 8-24 months, respectively.

Total deliveries of building systems account for an increasing share of Caverion's large projects. In these projects, Caverion is usually responsible for expert services, planning, and coordination of building systems, project management, project execution and handover to the end user. Increasingly often, Caverion's delivery covers several building systems also in large tender-based projects. Caverion uses subcontractors during project execution, especially in Germany and Austria.

In life cycle projects, Caverion focuses on life cycle, investment and operating costs, availability and the operation of properties in the long-term. The model ensures the retention of property value, good indoor air and safe conditions throughout the life cycle. When Caverion is involved already at the planning stage, it can utilise its expertise, knowledge of technical maintenance and managed operations and experience to shorten the construction phase and reduce overall life cycle costs.

In addition to public sector and commercial clients, Caverion executes projects for industrial clients in, for example, the energy, mining and forest industries. Caverion's competitiveness in industrial projects and technical installations is based on advanced industrial prefabrication, excellent planning and good management of resources and logistics. For example, in short shutdown projects requiring efficiency, Caverion has the capacity to rapidly allocate hundreds of professionals to the worksite.

## Revenue by division

Caverion's divisions are Sweden, Finland, Germany, Norway, Austria, Industry and Denmark. Furthermore, Caverion reports revenue from the Baltic countries under Other countries. In 2021, Sweden accounted for 19.8 per cent (19.5 per cent in 2020), Finland for 18.9 per cent (19.3 per cent in 2020), Germany for 17.5 per cent (17.1 per cent in 2020), Norway for 16.5 per cent (14.8 per cent in 2020), Industry for 12.0 per cent (12.8 per cent in 2020), Austria for 8.8 per cent (8.9 per cent in 2020), Denmark for 3.7 per cent (4.3 per cent in 2020) and Other countries for 2.8 per cent (3.2 per cent in 2020) of Caverion's revenue.

## Personnel

The Group employed 14,831 (15,773 in 2020) people on average in 2021. As at 31 December 2021, the Group employed 14,298 (15,163) people. The below table sets out the personnel by division as at 31 December 2021 and 31 December 2020, respectively.

### Personnel by division

	<b>31 December 2021</b>	<b>31 December 2020</b>	<b>Change (percentage)</b>
Finland.....	2,819	2,876	-2%
Sweden .....	2,528	2,601	-3%
Norway .....	2,331	2,366	-1%
Industry.....	2,243	2,464	-9%
Germany .....	2,177	2,260	-4%
Austria .....	903	852	+6%
Other countries .....	609	1,050	-42%
Denmark .....	528	565	-7%
Group services .....	160	129	+24%
<b>Total .....</b>	<b>14,298</b>	<b>15,163</b>	<b>-6%</b>

## Clients

Caverion's objective is to foster long-term client relationships with its competence and local presence. Long-term relationships with clients and a wide client base support the stability of cash flow.

Caverion is not dependent on any one individual client although there are several important individual customers – in 2021, Caverion had a healthy balance between customer segments, thereby reducing the dependency on economic cycles. Industry clients accounting for approximately 33 per cent of revenue in 2021, followed by real estate users accounting for approximately 25 per cent, and each of public clients, general contractor clients and real estate investor and developer clients accounting for approximately 16, 14 and 13 per cent of revenue.

Caverion's net promoter score ("NPS"), a metric used to measure customer satisfaction, improved in all divisions in 2021 and the overall progress made in 2021 was strong. According to the NPS measurements and feedback received, customers value particularly Caverion's service attitude, business understanding, competence and safety.

## Recent Events

On 10 February 2022, the Issuer announced certain changes in its Group Management Board, see "*Board of Directors, Management and Auditors—Group Management Board*".

On 10 February 2022, the Issuer announced that its AGM will be held on 28 March 2022 and that the following matters, among other things, will be discussed and decided at the AGM:

- the Board of Directors proposes to the AGM that a dividend of EUR 0.17 per share will be paid from the distributable funds of the Company;
- the Board of Directors proposes on recommendation of the Human Resources Committee of the Board of Directors that for a term of office beginning at the end of the Annual General Meeting and expiring at the end of

the Annual General Meeting 2023, Jussi Aho, Markus Ehrnrooth, Joachim Hallengren, Thomas Hinnerskov, Kristina Jahn, Mats Paulsson and Jasmin Soravia be re-elected as members of the Board of Directors;

- the Board of Directors proposes that the AGM authorise the Board of Directors to decide on the repurchase and/or acceptance as pledge of the Company's own shares, in one or more instalments. The total number of own shares to be repurchased and/or accepted as pledge shall not exceed 13,500,000 shares, which corresponds to approximately 9.7 per cent of all the shares in the Company; and
- the Board of Directors proposes that the Annual General Meeting authorise the Board of Directors to decide on share issues in one or more instalments. The total number of shares to be issued under the authorisation may not exceed 13,500,000 shares, which corresponds to approximately 9.7 per cent of all the shares in the Company.

On 14 February 2022, the Issuer announced an invitation to holders of the Existing Notes to tender their Existing Notes for purchase by Nordea Bank Abp, on behalf of the Issuer, for cash. The Tender Offer was made on the terms and subject to the conditions contained in the Tender Offer Memorandum. On 24 February 2022, Nordea Bank Abp, on behalf of the Issuer, completed a purchase of an aggregate nominal amount of EUR 71,457,000 of the Existing Notes validly tendered in the Tender Offer. As at the date of this Listing Prospectus, the total outstanding nominal amount of the Existing Notes is EUR 3,543,000.

## **Recent Trends**

### ***Market outlook for Caverion's services and solutions***

Caverion estimates that the megatrends in the industry, such as the increase of technology in built environments, energy efficiency requirements, increasing digitalisation and automation as well as urbanisation continue to promote demand for Caverion's services and solutions over the coming years.

### ***Market position***

The below market position statements are Caverion's own estimates. Caverion has a strong market position and is ranked among the top-5 players in the building solutions market in most of its operating countries measured by revenue. The market is overall still very fragmented in countries where Caverion operates. Caverion is the largest company in its market in Finland and among the two or three largest companies in Austria and Norway and the fourth largest company in Sweden in its market. In Germany and Denmark, Caverion is among the top-10 players in the market. Additionally, Caverion is one of the leading industrial solutions companies in Finland. Its largest industrial client segments are the forest and bioproducts industry and the energy sector.

(Source of market sizes: the Company's estimate based on public information from third parties and management calculation).

## **Strategy**

Caverion's current strategy was introduced in late 2017 and is divided into two phases. In 2018–2020, as part of the first phase (Fit), Caverion focused on improving its financial performance. Due to the lengthened COVID-19 crisis in 2020 and 2021, Caverion continued Fit actions and planned further personnel reductions, reorganisation and operating model development for most of its divisions. The purpose of the Fit phase was to secure that Caverion is fit and well positioned to meet new customer demand.

After successful implementation of the "Fit" phase, Caverion has moved to the "Growth" phase of its strategy. Caverion builds on several sources of growth. A very strong customer base and long-term customer partnerships are the first foundation for growth. A second source is the accelerated need for digitalisation which can be seen across all of Caverion's customer segments and countries. Supporting customers on their digitalisation journey while improving efficiency and long-term sustainable outcomes, provides great opportunities for Caverion. Caverion's digital solutions such as Caverion SmartView, Remote Services and IoT solutions differentiate it from its competitors already today and will also be a foundation for future growth. Caverion has also invested in building expertise in selected Smart Technologies such as Building Automation, Refrigeration and Security. Those solutions require regular maintenance which links to Caverion's core competence of supporting customers throughout the lifecycle of their built environments. This is delivered by Caverion's more than 14,000 highly skilled and dedicated employees. Caverion seeks growth both organically and inorganically through acquisitions. In 2021, Caverion completed seven acquisitions. On 7 March 2022, Caverion announced that it had acquired 80 per cent of the shares of the Danish company, DI-Teknik A/S. DI-Teknik A/S operates as a full-service provider (design, dimensioning, programming, installation and maintenance) in industrial automation, IT and electrification. DI-Teknik A/S' revenue in the 12-month period ending 30 June 2021 amounted to EUR 27.8 million, with automation accounting for the majority of the business.

Sustainability is at the core of Caverion's growth strategy. Sustainability is also a mega trend that will support Caverion's market demand over the coming years. Caverion's solutions help its customers to improve their energy-efficiency and thereby reduce their carbon footprint. Caverion commits to making a difference in sustainability together with its customers in line with its strategy and purpose: enabling performance and people's wellbeing in smart and sustainable built environments. Caverion has approved its own sustainability strategy. Caverion also reaffirms its sustainability target of having a positive carbon handprint five times greater than its carbon footprint by 2025. In the longer term, Caverion's target by 2030 is to create a sustainable impact through its solutions, with a positive carbon handprint 10 times greater than its carbon footprint (Scope 1-2).

In 2021, Caverion has been working on its new strategy that will guide Caverion up until the year 2025 and expects to finalise this work during the first half of 2022. The new growth strategy is built around core future capabilities that will allow Caverion to differentiate and focus in a market full of opportunities. It will deliver on Caverion's purpose of enabling performance and people's wellbeing in smart and sustainable built environments. Climate change continues to be the biggest threat our earth is facing. Especially urban environments are a major source of carbon emissions, and solutions to change the trajectory are urgent and in high demand. This impacts the strategic choices of customers in all segments. Caverion is contributing to a carbon-neutral society through its energy-efficient and sustainable solutions and will continue developing them in accordance with customer demands. The Group's strategic themes continue to be the focus on people, customer experience, sustainability and digitalisation. Caverion expects market demand to pick up and all trends and regulations to drive demand for the solutions and expertise Caverion can deliver.

## Financial Targets

Caverion's financial targets launched 4 November 2019 remain valid. Caverion's financial targets are:

### Cash conversion (LTM)

- Operating cash flow before financial and tax items / EBITDA > 100%

### Profitability

- Adjusted EBITA<sup>(1)</sup> > 5.5% of revenue

### Debt leverage

- Net debt/ EBITDA<sup>(2)</sup> < 2.5x

### Organic revenue Growth

- > 4% p.a. over the cycle
- Supported by bolt-on acquisitions in selected growth areas and complementary capabilities.
- Services revenue growth > market growth.
- Services revenue > 2/3 of Group revenue.

### Dividend policy

- Distribute at least 50% of the result for the year after taxes, however, taking profitability and leverage level into account.

<sup>(1)</sup> EBITA is defined as Operating profit + amortisation and impairment on intangible assets. Adjustments according to defined Items Affecting Comparability (IAC).

<sup>(2)</sup> Based on calculation principles confirmed with the lending parties. The confirmed calculation principles contain certain adjustments.

## Investments

Gross capital expenditure on non-current assets (excluding capital expenditure on leased assets), including acquisitions, totalled EUR 26.0 million in 2021 (EUR 16.7 million in 2020), representing 1.2 (0.8 per cent in 2020) per cent of revenue.

Investments in information technology totalled EUR 8.0 million in 2021 (EUR 9.7 million in 2020). IT investments continued to be focused on building a harmonised IT infrastructure and common platforms, and certain IT system renewals were made. IT systems and mobile tools were also further developed to improve the Group's internal processes and efficiency going forward. Other investments, including acquisitions, amounted to EUR 18.0 million in 2021 (EUR 7.0 million in 2020).

The Group's expenditure related to research and development activities related to product and service development amounted to approximately EUR 4.9 million in 2021 (EUR 3.6 million in 2020). Of the total amount EUR 2.5 million

was recognised as an expense in the income statement and EUR 2.4 million of the development expenses was capitalised in 2021.

### Group Legal Structure and Significant Subsidiaries

The Issuer is the parent company of the Group. The Issuer is a public limited liability company organised under the laws of the Republic of Finland. Caverion Corporation is registered in the Finnish Trade Register under the business identity code 2534127-4. The Issuer's LEI code is 7437007ECQWVPCJIS695. The registered address of the Issuer is Torpantie 2, FI-01650 Vantaa, Finland and telephone number +358 (0)10 4071.

According to Article 2 of the Issuer's Articles of Association, the objects of the Issuer are to engage in consulting, research, design, production and installation activities related to building services, industrial processes, distribution of electricity, telecommunications and data connections, automation, energy management, generation and storage of renewable energy, safety solutions business and municipal engineering as well as service and maintenance business related thereto in Finland and abroad. The Issuer offers drafting of operation plans for properties, management and supervision of the technical operation and maintenance of properties, maintenance and control services for machinery, equipment and technical systems of the property branch, as well as other services related to operation and maintenance of properties, energy services, renovations, house management and housing services as well as services related to leasing properties and security business in Finland and abroad. The Issuer may engage in the activities in accordance with its declared objects either directly and/or through its subsidiaries and affiliated companies and joint ventures. In its capacity as the parent company in the Group, the Issuer offers services in the fields of Group administration, human resources management, financing, financial issues, legal and tax affairs, investor relations and communications as well as other joint services. The Group consists of the parent company Caverion Corporation and its consolidated subsidiaries. Caverion's operations are principally conducted through subsidiaries.

The following table sets forth the most significant subsidiaries that the Issuer owned, directly or indirectly, as at 31 December 2021:

	<b>Country</b>	<b>Group holding (per cent)</b>
Caverion Suomi Oy .....	Finland	100
Caverion GmbH.....	Germany	100
Caverion Industria Oy.....	Finland	100
Caverion Sverige AB .....	Sweden	100
Caverion Norge AS.....	Norway	100
Caverion Danmark A/S.....	Denmark	100
Caverion Österreich GmbH .....	Austria	100
Caverion Emerging Markets Oy .....	Finland	100
Caverion Internal Services AB .....	Sweden	100
Huurre Technologies Oy .....	Finland	100
Caverion Eesti AS.....	Estonia	100
Caverion Latvija SIA.....	Latvia	100
Caverion Lietuva UAB.....	Lithuania	100
Caverion Huber Invest Oy .....	Finland	100
Caverion Deutschland GmbH.....	Germany	100
Duatec GmbH .....	Germany	100
MISAB Sprinkler & VVS AB .....	Sweden	100
Teollisuus Invest Oy .....	Finland	100
GTS Automation GmbH.....	Austria	100
GTS Automation System SRL (RO).....	Romania	100
Huurre Sweden AB.....	Sweden	100
Caverion Poland S.A .....	Poland	100
Mainpartner RO S.p.z.oo .....	Poland	100
Oy Botnia Mill Service Ab <sup>(1)</sup> .....	Finland	49.83

Kiinteistö Oy Leppävirran Teollisuustalotie 1 .....	Finland	60.00
---	---------	-------

<sup>(1)</sup> Oy Botnia Mill Service Ab is fully consolidated due to the Group's controlling interest based on the shareholder's agreement.

### **Legal Proceedings**

In June 2018, Caverion reached a settlement for its part with the German Federal Office ("FCO") in a cartel case that had been investigated by the authority since 2014. The investigation concerned several companies providing technical building services in Germany. Caverion Deutschland GmbH (and its predecessors) was found to have participated in anti-competitive practices between 2005 and 2013. According to the FCO's final decision issued on 3 July 2018, Caverion Deutschland GmbH was imposed a fine of EUR 40.8 million. In the end of March 2020, the FCO issued its final decision on the cartel case against the other building technology companies involved in the matter. There is a risk that civil claims may be presented against the involved companies, including Caverion Deutschland GmbH. It is not possible to evaluate the magnitude of the risk for Caverion at this time. Some civil claims presented against Caverion Deutschland GmbH have been settled in 2021 in the amount of EUR 9.1 million.

As part of Caverion's co-operation with the authorities in the cartel matter, Caverion identified activities between 2009 and 2011 that were likely to fulfil the criteria of corruption or other criminal commitment in some of its client projects executed in that time. Caverion brought its findings to the attention of the authorities and supported them in investigating the case. In the end of June 2020, the public prosecutor's office in Munich informed Caverion that no further investigative measures are intended and that no formal fine proceedings against Caverion will be initiated related to those cases. There is a risk that civil claims may be presented against Caverion Deutschland GmbH. It is not possible to evaluate the magnitude of the risk for Caverion at this time.

Given the nature of Caverion's business, Group companies are involved in various disputes and legal proceedings relating to their day-to-day activities. These disputes and legal proceedings typically concern claims made against Caverion for allegedly defective or delayed delivery. In some cases, the collection of receivables by Caverion may result in disputes and legal proceedings.

Except for the above, Caverion has not, during the previous twelve months preceding the date of this Listing Prospectus, had any governmental, legal, arbitration or administrative proceedings (including any such proceedings which are pending or threatened of which Caverion is aware), which may have, or have had in the recent past significant effects on the financial position or profitability of the Company or Caverion and its subsidiaries taken as a whole.

### **Material Contracts**

There are no contracts outside the ordinary course of business that have been entered into by any member of the Group which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to fulfil its obligations to the Noteholders.

## FINANCIAL INFORMATION AND FUTURE OUTLOOK

### Historical financial information

Caverion's audited consolidated financial statements as at and for the years ended 31 December 2021 and 31 December 2020 have been incorporated by reference into this Listing Prospectus. See "*Documents Incorporated by Reference*". Caverion's audited consolidated financial statements have been prepared in accordance with IFRS.

Financial information set forth in this Listing Prospectus has been rounded. Accordingly, in certain instances, the sum of the numbers in a column or row may not conform exactly to the total figure given for that column or row.

### Material Adverse Changes in the Prospects of the Issuer

There has been no material adverse change in the prospects of the Issuer since 31 December 2021.

### Significant Changes in the Issuer's Financial Performance or Position

There has been no significant change in the Issuer's financial performance or position since 31 December 2021.

### Market Outlook for Caverion's Services and Solutions in 2022 and Megatrends Impacting the Industry

Caverion expects market demand to be overall positive in Services and to improve also in Projects during 2022. This scenario assumes a successful outcome from the ongoing corona vaccination programmes and a sufficient control of the corona pandemic impacts with no significant unforeseen setbacks in 2022. Increased material prices and longer delivery times may still affect Caverion's business going forward, although the inflationary pressures are expected to be more moderate in 2022 compared to 2021. Potential risks may still emerge from the supply side, not only from raw material price inflation but also from labour shortage, furthermore potentially fuelled by increased sick leave levels or quarantines.

The business volume and the amount of new order intake are important determinants of Caverion's performance in 2022. A negative scenario whereby the corona pandemic continues and starts to negatively impact market demand cannot be ruled out. However, a large part of Caverion's services is vital in keeping also critical services and infrastructure up-and-running at all times.

The monetary and fiscal policies currently in place are clearly supporting an economic recovery. As an example, the economic stimulus packages provided by national governments and the EU are expected to increase infrastructure, health care and different types of sustainable investments in Caverion's operating area over the next few years. The main themes in the EU stimulus packages are green growth and digitalisation. Caverion expects the national and EU programmes to increase demand also in Caverion's areas of operation in 2022. The ECB decided in December 2021 to reduce its asset purchases step-by-step over the coming quarters with a goal to stabilise inflation at its target over the medium term, while still maintaining flexibility in the conduct of its monetary policy.

The digitalisation and sustainability megatrends are in many ways favourable to Caverion and believed to increase demand for Caverion's offerings going forward. The increase of technology in built environment, increased energy efficiency requirements, increasing digitalisation and automation as well as urbanisation remain strong and are expected to promote demand for Caverion's services and solutions over the coming years. Especially the sustainability trend is expected to continue strong.

Increasing awareness of sustainability is supported by both EU-driven regulations and national legislation setting higher targets and actions for energy efficiency and carbon-neutrality. This is furthermore supported by the society end-users' general request for an environmentally friendly built environment. The Energy Performance of Buildings Directive (EPBD) passed by the EU requires all new buildings from 2021 to be nearly zero-energy buildings (NZEB). Other initiatives include e.g. the "Fit for 55" climate package and the Renovation Wave Strategy. The "Fit for 55" climate package proposes to make EU's climate, energy, transport and taxation policies fit for reducing net greenhouse gas emissions by at least 55 per cent by 2030, compared to 1990 levels. The objective of the European Commission's Renovation Wave Strategy is to at least double the annual energy renovation rate of residential and non-residential buildings by 2030. Mobilising forces at all levels towards these goals is expected to result in 35 million building units renovated by 2030. The increased rate and depth of renovation will have to be maintained and increased also post-2030 to reach EU-wide climate neutrality by 2050. The proposed revision of the Energy Performance of Buildings Directive (EPBD) is an example of the coming EU directives that highlight the importance of sustainability and energy performance of the buildings. It, among other measures, aims to establish new EU-level Minimum Energy Performance Standards

(MEPS), with enhanced requirements for both existing and new building stock. Caverion has been putting an effort to develop its offering and solutions to meet this demand and is well positioned with its more than 14,000 skilled employees.

### *Services*

Caverion expects market demand to be overall positive during 2022. Caverion's Services business is overall by nature more stable and resilient through business cycles than the Projects business. Stimulus packages are also expected to positively impact general demand in the Services business.

There is an increased interest for services supporting sustainability, such as energy management. Caverion has had a special focus for several years both in so-called Smart Technologies as well as in digital solutions development. These are believed to grow faster than more basic services on average and enable data-driven operations with recurring maintenance. In Cooling, as an example, there is a technical change ongoing from environmentally harmful F-gases into CO<sub>2</sub>-based refrigeration, providing increased need for upgrades and modernisations. The sustainability trend is also increasing the demand for building automation upgrades.

As technology in buildings increases, the need for new services and digital solutions is expected to increase. Customer focus on core operations also continues to open up opportunities for Caverion through outsourcing of industrial operation and maintenance, property maintenance as well as facility management.

### *Projects*

Due to the late-cyclical nature of the Projects business, even after the economic environment recovers, it typically takes some time before the Projects business turns back to growth. However, the stimulus packages are expected to positively impact the general demand also in the Projects business. Caverion expects market demand to improve also in Projects during 2022.

According to Euroconstruct reports published in November 2021, the European construction industry has already fully recovered from the negative corona impacts, as the total construction volume in Western Europe was expected to grow by 5.6 per cent in 2021, following a drop of 4.7 per cent in 2020. Euroconstruct has a positive outlook for 2022, expecting a healthy growth (3.6 per cent) in 2022 for Western European countries. The non-residential construction market is expected to perform relatively better than the housing market in the near future according to Euroconstruct.

From the trends perspective, the digitalisation and sustainability megatrends are supporting demand also in Projects, as Caverion's target is to offer long-term solutions binding both Projects and Services together. The requirements for increased energy efficiency, better indoor climate and tightening environmental legislation continue to drive demand over the coming years.

### **Future Outlook and Assumptions**

The following outlook is included in Caverion's Financial Statement Release for 1 January – 31 December 2021:

“Guidance for 2022: In 2022, Caverion Group's revenue (2021: EUR 2,139.5 million) and adjusted EBITA (2021: EUR 87.7 million) will grow compared to 2021.”

***The above statements include forward-looking statements. These statements are not guarantees of future financial performance of Caverion. Caverion's actual results and financial position could differ materially from those expressed or implied by these forward-looking statements as a result of many factors. The Issuer cautions prospective investors not to place undue reliance on these forward-looking statements.***

Caverion confirms that the above information on the profit forecast has been properly prepared on the basis stated that is both comparable with Caverion's historical financial information and consistent with Caverion's accounting principles. The profit forecast is the best considered view and understanding at the time based on the forecasts and estimates received. The assumptions upon which Caverion has based its conclusions and which the Board of Directors and the Group Management Board of Caverion can influence include pricing of products, efficient risk management and cost management. Factors outside the control of Caverion that affect the above-mentioned forward-looking statements are mostly related to macroeconomic conditions and demand for Caverion's services and products.

### **Alternative Performance Measures**

This Listing Prospectus includes certain financial measures, which, in accordance with the “*Alternative Performance Measures*” guidance issued by the European Securities and Markets Authority, are not accounting measures defined or

specified in IFRS and are, therefore, considered alternative performance measures (“**Alternative Performance Measures**”). These Alternative Performance Measures are (i) EBITDA, (ii) EBITDA margin, (iii) Adjusted EBITDA, (iv) Adjusted EBITDA margin, (v) EBITA, (vi) EBITA margin, (vii) Adjusted EBITA, (viii) Adjusted EBITA margin (ix) operating profit, (x) operating profit margin, (xi) result before taxes, (xii) equity per share, (xiii) equity ratio, (xiv) interest-bearing net debt, (xv) gearing ratio, (xvi) working capital and (xvii) order backlog. For detailed calculation formulas of the Alternative Performance Measures, see page 29 to the audited consolidated financial statements of Caverion as at and for the year ended 31 December 2021.

Caverion presents Alternative Performance Measures as they, in Caverion’s view, improve the analysis of business and financial performance and enhance the comparability between reporting periods. Selected Alternative Performance Measures are also used as performance criteria concerning remuneration.

Caverion’s Alternative Performance Measures should not be viewed in isolation from the equivalent IFRS measures and Alternative Performance Measures should be read in conjunction with the most directly comparable IFRS measures. For definitions of the Alternative Performance Measures, see “*Calculation of key figures*” in the audited consolidated financial statements of Caverion as at and for the year ended 31 December 2021 and incorporated by reference to this Listing Prospectus.

Alternative Performance Measures are not accounting measures defined or specified in IFRS and, therefore, they are considered non-IFRS measures which should not be viewed in isolation or as a substitute to the IFRS financial measures. Companies do not calculate Alternative Performance Measures in a uniform way and, therefore, the Alternative Performance Measures presented in this Listing Prospectus may not be comparable with similarly named measures presented by other companies. Furthermore, these Alternative Performance Measures may not be indicative of Caverion’s historical results of operations and are not meant to be predictive of potential future results. Accordingly, undue reliance should not be placed on the Alternative Performance Measures presented in this Listing Prospectus.

## BOARD OF DIRECTORS, MANAGEMENT AND AUDITORS

### General

Pursuant to the provisions of the Finnish Companies Act and the Company's Articles of Association, responsibility for the control and management of the Company is divided between the general meeting of shareholders, the Board of Directors and the Managing Director. Shareholders participate in the control and management of the Company through actions taken at general meetings of shareholders. In general, general meetings of shareholders are convened upon notice given by the Board of Directors. In addition, general meetings of shareholders are held when requested in writing by an auditor of the Company or by shareholders representing at least one-tenth of all the outstanding shares of the Company.

In its decision-making and administration, the Company applies its Articles of Association, the Finnish Companies Act, the Finnish Securities Market Act and the rules of Nasdaq Helsinki. As a Finnish listed company, the Company complies with the Finnish Corporate Governance Code 2020 as published by the Finnish Securities Market Association effective as of 1 January 2020. Caverion does not deviate from any single recommendation of the Corporate Governance Code. The corporate governance principles of Caverion are described in the most recent Corporate Governance Statement 2020. The Caverion Code of Conduct sets the Company's basic rules regarding business ethics and sustainable business.

The business address of the members of the Board of Directors, the Managing Director and the members of the Group Management Board is Caverion Corporation, Torpantie 2, FI-01650 Vantaa, Finland.

### Board of Directors

The Board of Directors is in charge of corporate governance and the due organisation of the Company's operations. It decides on convening and prepares the agenda for the shareholders' meeting and ensures the practical implementation of decisions taken thereby. In addition, the Board of Directors decides on authorisations for representing the Company. The Board of Directors' key duties include matters which, in view of the scope and type of the Company's operations, are unusual or involve wide-ranging effects. These include establishing the Company's long-term goals and the main strategies for achieving them, approving the annual business plans and financial forecasts, defining and approving corporate policies in key management control areas, approving the Company's organisational structure and appointing the Managing Director, the Deputy Managing Director and members of the Group Management Board. The Board of Directors approves the Company's capital investment policy and major investments, acquisitions and divestments. It also approves the group treasury policy and major long-term loans and guarantees issued by the Company. Its duties also include ensuring that the Company has adequate planning, information and control systems and resources for monitoring result and managing risks in operations. The Board of Directors monitors and evaluates the performance of the Managing Director, the Deputy Managing Director (if applicable) and members of the Group Management Board and decides upon their remuneration and benefits. The Board of Directors' duty is to ensure continuation of business operations by succession planning for key persons. The Board defines and approves the main principles for the incentive bonus systems within the Company. In 2021, the Board of Directors convened 17 times.

The Board of Directors comprises a minimum of five and a maximum of eight members, whom are elected at the annual general meeting of shareholders of the Company for a term expiring at the close of the following annual general meeting of shareholders of the Company.

At the date of this Listing Prospectus, the members of the Board of Directors are as follows:

	<u>Position</u>	<u>Year born</u>	<u>Year appointed to the Board of Directors</u>
Mats Paulsson .....	Chairman	1958	2018
Markus Ehrnrooth.....	Vice Chairman	1985	2015
Jussi Aho.....	Member	1968	2017
Joachim Hallengren .....	Member	1964	2017
Thomas Hinnerkorv .....	Member	1971	2017
Kristina Jahn .....	Member	1974	2020
Jasmin Soravia .....	Member	1972	2020

**Mats Paulsson** (born 1958) has been the Chairman of the Board of Directors of the Issuer since March 2019. Mr. Paulsson has been a member of the Board of Directors of the Issuer since 2018. In addition, Mr. Paulsson is the Chairman of the Human Resources Committee. Mr. Paulsson is the Chairman of the Board of Directors of Nordisk Bergteknik AB, Nordic Waterproofing AB and Svevia AB as well as a member of the Board of Directors of AB Bösarps Grus & Torrbruk and BE

Group AB. Previously, Mr. Paulsson was Interim CEO of Eleda Acquisition Ab from 2018 to 2020, Interim CEO of BTH Bygg AB from 2015 to 2016 and Interim CEO of GDL Transport AB from 2014 to 2015. In addition, Mr. Paulsson was the CEO of Bravida AB from 2010 to 2012, Strabag Scandinavia AB from 2009 to 2010, Peab Industri AB from 2007 to 2009 and Deputy CEO of Peab AB from 2000 to 2007. Mr. Paulsson holds a Master of Science degree in Civil Engineering.

**Markus Ehrnrooth** (born 1985) is the Vice Chairman of the Board of Directors of the Issuer and Mr. Ehrnrooth has been a member of the Board of Directors of the Issuer since 2015. In addition, Mr. Ehrnrooth is the Chairman of the Audit Committee. Mr. Ehrnrooth is the Co-Founder of Knomi Oy. Previously, Mr. Ehrnrooth was a Vice President at Morgan Stanley from 2012 to 2013, an Associate from 2010 to 2012 and an Analyst from 2008 to 2010. Mr. Ehrnrooth holds a Master of Science degree in Technology and a Bachelor of Science degree in Economy.

**Jussi Aho** (born 1968) has been a member of the Board of Directors of the Issuer since 2017. Mr. Aho is a member of the Human Resources Committee. Mr. Aho is the CEO of Fira Group Oy since 2016, a member of the Board of Directors of EkoUp Oy since 2016 and Kaski Partners Oy since 2016. Previously, Mr. Aho was a member of the Board of Directors of Envera Oy from 2016 to 2021, a member of the Board of Directors of Talonrakennusteollisuus ry from 2016 to 2017, the founding partner and Chairman of the Board of Fira Oy from 2004 to 2009 and the CEO of Fira Oy from 2009 to 2017. Mr. Aho has also served as the CEO of Daxtum Oy from 2002 to 2008 and held various managerial roles at YIT Rakennus Oy and Betonimestarit Oy from 1995 to 2001. Mr. Aho holds a Master of Science degree in Civil Engineering.

**Joachim Hallengren** (born 1964) has been a member of the Board of Directors of the Issuer since 2017. In addition, Mr. Hallengren is a member of the Audit Committee. Mr. Hallengren has been the Chairman of the Board of Directors of Offside Press AB since 2009 and a member of the Board of Directors of Forenom Group Oy since 2017. Previously, Mr. Hallengren was the CEO of Bonava AB from 2016 to 2021 and the President of NCC Housing from 2012 to 2016. Moreover, Mr. Hallengren has a total of 16 years of experience within the NCC Group, including serving as Business Area Manager of NCC Property Development and member of the senior management of NCC AB (publ) from 2009 to 2016. Mr. Hallengren holds a Master of Science degree in Civil Engineering.

**Thomas Hinnerskov** (born 1971) has been a member of the Board of Directors of the Issuer since 2017. In addition, Mr. Hinnerskov is a member of the Audit Committee. Mr. Hinnerskov is the Executive Vice President of KONE Central and North Europe and a member of the Executive Board of KONE Corporation since 2016. Previously, Mr. Hinnerskov was the Regional CEO for ISS Western Europe in 2016 and for ISS APAC from 2012 to 2016. In addition, Mr. Hinnerskov held various managerial positions at ISS from 2003 to 2012. Mr. Hinnerskov holds a Master of Science degree in Finance and Accounting.

**Kristina Jahn** (born 1974) has been a member of the Board of Directors of the Issuer since 2020. In addition, Ms. Jahn is a member of the Audit Committee. Ms. Jahn is the Managing Partner of Liva Estate GmbH since 2019, the Managing Director of Berliner Wirtschaftsgespräche e.V. since 2016 and a board member of Gemeinnützige Stiftung zur Entwicklung von Gemeinschaftskrankenhäusern since 2016. Previously, Ms. Jahn was the COO and Board member of BGP Investment SÁrl (CIC/ Morgan Stanley) from 2017 to 2019, the Managing Director of Conwert Immobilienverwaltung GmbH from 2016 to 2017, board member of Degewo AG from 2014 to 2016 and Managing Director, Westphalia Division of Deutsche Annington Business Management GmbH from 2010 to 2014. Ms. Jahn holds a Master of Science degree in Civil Engineering and an MBA.

**Jasmin Soravia** (born 1972) has been a member of the Board of Directors of the Issuer since 2020. In addition, Ms. Soravia is a member of the Human Resources Committee. Ms. Soravia is the Managing Director of SoReal GmbH, Austrian project development company of SORAVIA and Soravia Deutschland GmbH since 2015. Ms. Soravia is also board member of Zukunft Frauen Alumni Club since 2019 and Chairperson of the Austrian division, Urban Land Institute (ULI) since 2019. Previously, Ms. Soravia was Managing Director for Austria and CEE of Conwert Property Group from 2012 to 2015, Managing Director and Partner at TJP Advisory & Management Services GmbH in 2011, Divisional Manager for Asset Management PPP Infrastructure Projects at STRABAG AG from 2010 to 2011 and Divisional Manager for Real Estate at STRABAG AG from 2006 to 2010. Ms. Soravia holds a Master of Science degree in Social Sciences and Economics as well as a Master of Laws (LL.M).

## Board Committees

The Board of Directors has two Committees: the Audit Committee and the Human Resources Committee, which both have charters ratified by the Board of Directors. The Board of Directors elects the members and Chairmen of the Committees from among its members each year in its first meeting following the Annual General Meeting. The committees report to the Board of Directors and give the Board of Directors an annual summary of its actions during the financial year, including any observations made or recommendations given. The work of the Audit Committee is evaluated annually as part of the evaluation of the operations of the Board of Directors.

### *The Audit Committee*

The Audit Committee assists the Board of Directors in the supervision of the Group's financial reporting, internal control, risk management, internal audit and accounting. The Audit Committee has the special duty of assisting the Board of Directors in the monitoring and supervision of the Group's reporting and accounting processes (i.e. financial statements, interim reports and monthly result reports). The Audit Committee monitors compliance with laws and regulations as well as operating instructions approved in the Group.

### *Human Resources Committee*

The task of the Human Resources Committee is to assist the Board of Directors in matters related to the nomination and remuneration of key personnel such as President and CEO and other members of management. In addition, the Human Resources Committee shall evaluate, monitor and guide the situation and development of staff issues which are important in terms of corporate culture and strategy. In particular, the Human Resources Committee shall prepare a proposal for the appointment of directors and their remunerations to be presented to the General Meeting of Shareholders. In addition, the Human Resources Committee shall assist the Board of Directors in matters related to the development of the Group's corporate culture and personnel policy, competitiveness, principles, structure and allocation of the salary and incentives system, performance incentive rules and performance incentives to the management, identification and development of the talents of key personnel; and successor planning of the management.

## Group Management Board

The Group Management Board of the Company is led by the Managing Director (President and CEO). The Managing Director is the Chairman of the Group Management Board and the Group General Counsel acts as the Secretary of the Group Management Board. The Group Management Board is responsible for securing the long-term strategic development of the Company.

As at the date of this Listing Prospectus, the members of the Group Management Board are as follows:

	<u>Position</u>	<u>Year born</u>
Jacob Götzsche .....	President and CEO	1967
Martti Ala-Härkönen .....	Executive Vice President, Chief Financial Officer (Finance, M&A and IT)	1965
Elina Engman .....	Executive Vice President, Caverion Industry	1970
Knut Gaaserud .....	Executive Vice President, Caverion Norway	1967
Michael Kaiser.....	Executive Vice President, Caverion Projects	1962
Uno Lundberg.....	Executive Vice President, Caverion Sweden	1962
Reinhard Poglitsch.....	Executive Vice President, Commercial	1968
Minna Schrey-Hyppänen.....	Executive Vice President, Human Resources and Safety	1966
Manfred Simmet.....	Executive Vice President, Caverion Austria & Germany	1966
Kari Sundbäck .....	Executive Vice President, Services, Solutions, Digital and Strategy	1971
Carsten Sørensen .....	Executive Vice President, Caverion Denmark	1972
Ville Tamminen.....	Executive Vice President, Caverion Finland	1974
Anne Viitala.....	Executive Vice President, Legal & Compliance Group General Counsel	1959

**Jacob Götzsche** (born 1967) has been the Managing Director (President and CEO) of the Issuer since August 2021. Previously, Mr. Götzsche held several managerial positions at ISS World Services A/S from 1999 to 2020, including Executive Vice President and Chief Executive Officer, Europe from 2019 to 2020, Executive Vice President and Regional Chief Executive Officer, Continental Europe from 2018 to 2019, Regional Chief Executive Officer, Central Europe from

2010 to 2018 and Regional Chief Operating Officer / Region Director, Central Europe from 2006 to 2010. Mr. Götzsche holds a Master of Science degree in Business Economics and Auditing.

**Martti Ala-Härkönen** (born 1965) is the Executive Vice President, Chief Financial Officer (Finance, M&A and IT) of the Issuer. Mr. Ala-Härkönen joined the Issuer in 2016. Prior to joining the Issuer, Mr. Ala-Härkönen served as the CFO of Cramo Plc from 2006 to 2016, as the CFO of WM-data Oy from 2004 to 2006 and as the CFO of Novo Group Plc from 1998 to 2004. Mr. Ala-Härkönen has been a member of the Board of Directors of Digia Plc since 2016 and a member of the Supervisory Board of Elo Mutual Pension Insurance Company from 2020. Mr. Ala-Härkönen holds a Doctor of Science degree in Economics and a Licentiate of Science degree in Technology.

The Issuer announced on 9 November 2021 that Mr. Ala-Härkönen has resigned to accept a position in another company. The Issuer announced on 10 February 2022 that Mr. Ala-Härkönen will continue in his current position until 31 March 2022. The Issuer further announced on 10 February 2022 that Ms. Riitta Palomäki has been appointed interim CFO as of 1 March 2022. Ms. Palomäki has previously held CFO positions at Uponor Corporation and Kuusakoski Group Oy. Ms. Palomäki will report to the President and CEO, but will not be a Group Management Board member.

**Elina Engman** (born 1970) is the Executive Vice President, Caverion Industry. Ms. Engman joined the Issuer in 2020. Prior to joining the Issuer, Ms. Engman served as Vice President, Renewables and Energy Strategy of ÅF Consult from 2017 to 2019, was the Founder and CEO of Pilothouse Advisory Oy from 2015 to 2017, President and CEO of Voimaosakeyhtiö SF from 2014 to 2016, Vice President, Business Development of Voimaosakeyhtiö SF in 2014 and Vice President, Energy of Kemira Corporation from 2005 to 2012. Ms. Engman is the Chairman of the Board of Directors of Gasum Oy and Aurora Infrastructure Oy as well as a member of the Board of Directors of Versowood Oy.

**Knut Gaaserud** (born 1967) is the Executive Vice President, Caverion Norway. Mr. Gaaserud has been the Managing Director of Caverion AS in Norway since 2013. Mr. Gaaserud has also acted as the Head of Division Denmark-Norway from 2016 to 2017. He has previously held various positions at YIT AS (Norway) from 2004 to 2013 such as Managing Director, Senior Vice President of Sales, Marketing, Strategy and Media, Director of AV Division and Manager of Business Development Service. Mr. Gaaserud holds a Master of Science degree in Technology.

**Michael Kaiser** (born 1962) is the Executive Vice President, Caverion Projects. Mr. Kaiser joined the Issuer in 2018. Prior to joining the Issuer, Mr. Kaiser was the Executive Vice President of ThyssenKrupp Industrial Solutions USA from 2016 to 2017 and the Vice President from 2014 to 2016, Chief Operating Officer of Uhde Corporation of America from 2012 to 2014, Project Managing Director of ThyssenKrupp Steel Brazil from 2009 to 2012, Project Manager for Engineering, Construction and Commissioning of ThyssenKrupp Uhde Thailand from 2007 to 2008 and Project Manager for Engineering, Construction and Commissioning of ThyssenKrupp Uhde Egypt from 2005 to 2006. Mr. Kaiser holds a Master of Science degree in Engineering.

**Uno Lundberg** (1962) is the Executive Vice President, Caverion Sweden. Mr. Lundberg joined the Issuer in 2021. Prior to joining the Issuer, Mr. Lundberg was the CEO of Falck Emergency in Scandinavia from 2018 to 2021, Head of Finance and Business Development at Bravida Sweden AB from 2017 to 2018, Vice President, EcoBuildings Division at Schneider-Electric from 2014 to 2016 and CFO and Vice Managing Director at G4S Sweden from 2011 to 2013. Mr. Lundberg holds a Bachelor of Science degree in Economics and Business Administration.

**Reinhard Poglitsch** (1968) is the Executive Vice President, Head of Commercial, responsible for international customers and commercial development as of 14 March 2022. Mr. Poglitsch joined Caverion after a long career at ISS, a global provider of facility services, where Mr. Poglitsch held various positions from 1989 to 2021. Mr. Poglitsch's most recent position was Commercial Director, ISS Europe, from 2019 to 2021. Mr. Poglitsch holds an Engineering degree and an eMBA degree.

**Minna Schrey-Hyppänen** (born 1966) is the Executive Vice President, Human Resources and Safety. Ms. Schrey-Hyppänen joined the Issuer in 2017. Prior to joining the Issuer, Ms. Schrey-Hyppänen was the Executive Vice President of Human Resources at Uponor Corporation from 2013 to 2017 and Vice President of HR and People Development of UPM-Kymmene Corporation from 2010 to 2013. Additionally, Ms. Schrey-Hyppänen has been HR Director and held other executive and managerial positions in Nokia Corporation from 2005 to 2010. Ms. Schrey-Hyppänen holds a Master of Science degree in Technology and a Master of Science degree in Engineering.

**Manfred Simmet** (born 1966) is the Executive Vice President, Caverion Austria & Germany. Mr. Simmet has been the Managing Director of Caverion Österreich GmbH in Austria since 2013. Mr. Simmet was the Managing Director of YIT Austria GmbH from 2008 to 2013 and Head of Business segment HVAC Austria and International of Siemens from 2005 to 2008. Mr. Simmet holds an Engineering degree.

**Kari Sundbäck** (born 1971) is the Executive Vice President, Services, Solutions, Digital and Strategy of the Issuer. Mr. Sundbäck joined the Issuer in 2019. Mr. Sundbäck has previously been a Senior Vice President at KONE Way operating model at KONE Corporation from 2015 to 2019, Managing Director at KONE Belgium & Luxembourg from 2012 to 2015, Vice President at Nokia, Strategy and Business Development from 2008 to 2012 and held several managerial positions at Nokia Siemens Network from 1995 to 2007. Mr Sundbäck holds a Master of Science degree in Technology.

**Carsten Sørensen** (born 1972) is the Executive Vice President, Caverion Denmark. Mr. Sørensen worked for the Issuer from 2015 to 2017 and rejoined in 2019. In addition, Mr. Sørensen is a Member of Board of Directors of GamesOnTrack. Mr. Sørensen was the CEO of Qubiqa A/S from 2017 to 2018, the Vice President of Caverion A/S, Industrial Solutions Denmark-Norway from 2015 to 2017, the Vice President of ABB A/S, Process automation from 2008 to 2015, the Vice President of ABB A/S, Robotics Division from 2007 to 2008, the Vice President of Dynaway A/S, Product Management & Consulting from 2005 to 2007 and the Lead Program Manager of Microsoft Development Center Copenhagen from 2002 to 2005. Mr. Sørensen holds a Master of Science degree in Industrial Engineering.

**Ville Tamminen** (born 1974) is the Executive Vice President, Caverion Finland. Mr. Tamminen joined the Issuer in 2007. Mr. Tamminen was Head of Division Finland at Caverion Suomi Oy from 2017 to 2018, the Vice President of Sales and Business Development of Caverion Suomi Oy from 2011 to 2016 and held various positions such as Sales Director, Lawyer and Sales Manager at YIT Kiinteistötekniikka Oy from 2007 to 2011. Mr. Tamminen has been a member of the Supervisory Board of the Smart & Clean Foundation and member of the Board of Directors of Green Building Council Finland since 2016. Mr. Tamminen holds a Master of Laws degree and has been trained on the bench.

**Anne Viitala** (born 1959) is the Executive Vice President, Legal & Compliance of the Issuer and Group General Counsel. Ms. Viitala joined the Issuer in 2017. Prior to joining the Issuer, Ms. Viitala held various positions at Pöyry PLC, including Executive Vice President, Legal and Communications & Group General Counsel from 2012 to 2016, Executive Vice President, Legal and Commercial & Group General Counsel from 2009 to 2012, and Senior Vice President, Legal Affairs & Group General Counsel from 2001 to 2005. Ms. Viitala holds a Master of Laws degree and an eMBA degree. In addition, Ms. Viitala has been trained on the bench.

### **Conflicts of Interest**

Provisions regarding the conflicts of interest of the management of a Finnish company are set forth in the Finnish Companies Act. Pursuant to Chapter 6, Section 4 of the Finnish Companies Act, a member of the Board of Directors may not participate in the handling of a contract between himself or herself and the company. Further, pursuant to Chapter 6, Section 4 a of the Finnish Companies Act, a member of the Board of Directors may not participate in the handling of a contract between himself or herself or an entity that is related to himself or herself as defined in “IAS 24 – Related Party Disclosures”, and the company or its subsidiary, unless the agreement is part of the company’s ordinary course of business or is conducted on normal market terms. This provision also applies to any other legal act, legal proceeding or other similar matter. Further, this provision also applies to the CEO.

The members of the Board of Directors, the Group Management Board or the CEO do not have any conflicts of interest between their duties relating to the Company and their private interests and/or their other duties.

The Board of Directors assesses that, of its members, Jussi Aho, Joachim Hallengren, Thomas Hinnerskov, Kristina Jahn and Jasmin Soravia are independent of the Company and its major shareholders. Mats Paulsson is independent in relation to major shareholders but non-independent in relation to the Company. Markus Ehrnrooth is independent in relation to the Company and its management but non-independent in relation to major shareholders.

### **Auditors**

The consolidated financial statements of the Issuer for the financial years ended 31 December 2021 and 31 December 2020 incorporated in this Listing Prospectus by reference have been audited by Ernst & Young Oy, with Antti Suominen, Authorised Public Accountant, as responsible auditor. Ernst & Young Oy and Antti Suominen are authorised by the Finnish Patent and Registration Office.

## SHARE CAPITAL AND OWNERSHIP STRUCTURE

As at the date of this Listing Prospectus, the Issuer's share capital is EUR 1,000,000 and the total number of shares issued is 138,920,092. As at the date of this Listing Prospectus, the Issuer holds 2,447,447 of its own shares for which no dividend is paid. The Issuer has one share class. Each share carries one vote at General Meetings of Shareholders.

The following table sets forth the ten largest shareholders of the Issuer that appear on the shareholder register maintained by Euroclear Finland as at 28 February 2022:

	<b>As at 28 February 2022</b>	
	<b>Number of shares</b>	<b>Shareholding (per cent)</b>
Funds held by Antti Herlin, including directly held shares .....	21,054,392	15.16
Fennogens Investments S.A .....	14,169,850	10.20
Varma Mutual Pension Insurance Company .....	9,728,407	7.00
Mandatum Companies .....	5,766,592	4.15
Säästöpankki funds .....	3,701,562	2.66
Ilmarinen Mutual Pension Insurance Company.....	3,602,955	2.59
Elo Mutual Pension Insurance Company.....	3,047,005	2.19
The State Pension Fund .....	2,050,000	1.48
Nordea funds.....	1,993,496	1.43
Ilkka Brotherus .....	1,803,765	1.30
Ten largest shareholders total.....	66,918,024	48.17
Nominee-registered shares.....	27,601,571	19.87
Other registered shareholders .....	44,400,497	31.96
Total.....	138,920,092	100.00

## TAXATION

*The following summary is based on the tax laws of Finland as in effect on the date of this Listing Prospectus, and is subject to changes in Finnish law, including changes that could have a retroactive effect. The following summary 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 Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules. The tax legislation of a prospective investor's country of residence and of the Issuer's country of incorporation may have an impact on the income received from the Notes. Prospective investors of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.*

### **Finnish Resident Noteholders**

#### ***Individual***

If the recipient of interest paid on the Notes is an individual (natural person) residing in Finland or an undistributed estate of a deceased Finnish resident, such interest is, when paid by the Issuer or securities dealer (*i.e.*, a Finnish financial institution making the payment), subject to an advance withholding tax in accordance with the Finnish Withholding Tax Act (in Finnish *Ennakkoperintälaki* 1118/1996, as amended) and final taxation as capital income in accordance with the Finnish Income Tax Act (in Finnish *Tuloverolaki* 1535/1992, as amended). The current withholding tax and capital income tax rate is 30 per cent. Should the amount of capital income received by a resident natural person exceed EUR 30,000 in a calendar year, the capital income tax rate is 34 per cent on the amount that exceeds the EUR 30,000 threshold. However, advance tax withholdings will still be made at the rate of 30 per cent.

If Notes are disposed of during the loan period, any capital gain as well as accrued interest received (secondary market compensation) is taxed as capital income. The Issuer or a securities dealer (*i.e.*, a Finnish financial institution making the payment) must deduct an advance withholding tax from the secondary market compensation paid to an individual (natural person) residing in Finland or an undistributed estate of a deceased Finnish resident.

An individual (natural person) residing in Finland or an undistributed estate of a deceased Finnish resident may deduct eventual capital losses from its taxable capital gains in the year of disposal and in the five subsequent calendar years.

If Notes 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.

#### ***Corporate Entity or Partnership***

Interest paid to Finnish corporate entities (other than non-profit associations) and to Finnish partnerships is deemed to be taxable income of the recipient of interest. Any gain or loss realised following a disposal of the Notes will be taxable income or a tax deductible loss for the relevant Noteholder. The current tax rate for corporate entities is 20 per cent. Interest paid to such Noteholders is not subject to any withholding tax.

#### ***Non-Resident Noteholders (Individuals and Corporate Entities)***

Interest paid to an individual or a corporate entity who is non-resident in Finland for tax purposes is exempt from Finnish withholding tax in accordance with the Finnish Income Tax Act (in Finnish *Tuloverolaki* 1535/1992, as amended) when the interest is paid on, *e.g.*, a bond. However, if the non-resident Noteholder is engaged in trade or business through a permanent establishment or a fixed place of business in Finland, the Noteholder is liable to pay income tax on all income attributable to that permanent establishment.

Capital gain arising from the disposal of the Notes is not subject to taxation in Finland for the non-resident Noteholder.

## **DOCUMENTS INCORPORATED BY REFERENCE**

The documents listed in paragraphs (i)-(ii) below have been incorporated by reference to this Listing Prospectus. The documents incorporated by reference are available at the Issuer's website:

- (i) audited consolidated financial statements of the Issuer, including the auditor's report as at and for the year ended 31 December 2021 and the report of the Board of Directors for the year 2021, as set out on pages 12 to 102 of Caverion's Annual Review 2021:

*<https://www.caverion.com/globalassets/investors/en/annual-review/2021/caverion-annual-review-2021.pdf>*

- (ii) audited consolidated financial statements of the Issuer, including the auditor's report as at and for the year ended 31 December 2020 and the report of the Board of Directors for the year 2020, as set out on pages 12 to 97 of Caverion's Annual Review 2020:

*<https://www.caverion.com/globalassets/investors/en/annual-review/2020/caverion-annual-review-2020.pdf>*

## **DOCUMENTS ON DISPLAY AND AVAILABLE INFORMATION**

In addition to the documents incorporated by reference, the Issuer's Articles of Association are available on the Issuer's website at *<https://www.caverion.com/investors/corporate-governance/articles-of-association/>*.

The Issuer publishes annual reviews, including audited consolidated financial statements, unaudited quarterly interim financial information and other information as required by the Finnish Securities Markets Act and the rules of Nasdaq Helsinki. All annual reports, interim reports and stock exchange releases are published in Finnish and English. Such information will be available on the Issuer's website at *<https://www.caverion.com/investors/>*.

**ISSUER**

**Caverion Corporation**

Torpantie 2  
FI-01650 Vantaa  
Finland

**JOINT LEAD MANAGERS**

**Nordea Bank Abp**

Satamaradankatu 5  
FI-00020 NORDEA  
Finland

**Skandinaviska Enskilda Banken AB (publ)**

c/o Skandinaviska Enskilda Banken AB (publ) Helsinki Branch  
Eteläesplanadi 18  
FI-00130 Helsinki  
Finland

**LEGAL ADVISER TO THE ISSUER**

**DKCO Attorneys-at-law Ltd**

Unioninkatu 30  
FI-00100 Helsinki  
Finland

**AUDITOR**

Ernst & Young Oy  
Alvar Aallon katu 5c  
FI-00100 Helsinki  
Finland