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## Koskisen is planning an Initial Public Offering and Listing on the Official List of Nasdaq Helsinki Ltd

**Koskisen Corporation press release, November 11, 2022, at 9:00 a.m. EET**

Koskisen Corporation (hereinafter "Koskisen" or the "Company"), a family-owned wood-processing company with more than hundred years of operating history, announces that it is planning an initial public offering (the "Offering") and listing of its shares on the official list of Nasdaq Helsinki Ltd ("Nasdaq Helsinki") (the "Listing").

The objective of the Offering is to enable Koskisen to implement its growth strategy. The Offering will enable the Company to obtain access to capital markets, expand its ownership base and increase the liquidity of its shares. The Listing and increased liquidity would also make it possible to use the shares more effectively as consideration in potential future transactions. Additional visibility is also expected to further increase Koskisen's recognition among the public and customers and as an employer.

Koskisen aims to raise gross proceeds of approximately EUR 30 million in the Offering by offering new shares for subscription. The Company expects to use the net proceeds from the Offering in investments supporting its growth strategy, including efficiency measures, capital expenditure for machinery and equipment and site infrastructure, potential future transactions, as well as for general corporate purposes.

The following cornerstone investors (together, the "Cornerstone Investors") have, subject to certain customary conditions, given subscription undertakings for a total of approximately EUR 15 million, provided that the value of the Company's existing shares does not exceed approximately EUR 109 million:

- Varma Mutual Pension Insurance Company;
- Elo Mutual Pension Insurance Company;
- Stephen Industries Inc Oy; and
- UB Fund Management Company Ltd.

**Juha Vanhainen, Chairman of the Board of Directors of the Company, comments:**

*"Koskisen has a great family-owned history, but now is the right time in our opinion to expand the ownership base and invite new investors to build the next decades' Koskisen with us.*

*We believe in the growing demand for high quality and versatile wood products and, therefore, we have decided to implement the largest investment in Koskisen's history, which expand our production capacity and improve our efficiency. During the next five years, our target is to increase revenue to EUR 500 million, while in 2021, our revenue was EUR 311 million. The growth target also includes potential transactions. We will use the proceeds raised from the share issue to reach our growth targets.*

*At this point, I would like to thank the cornerstone investors for the trust they have shown towards our company and growth strategy."*

**Jukka Pahta, CEO of Koskisen, comments:**

*"The year 2022 has been good for us. The value of wood as an ecological material is increasingly understood and its popularity is growing among various applications. We are constantly developing our products and, as wood is too valuable of a material to waste, we want to use it as carefully as possible, down to the last dust.*

*Russia's war of aggression in Ukraine has also affected the wood products market. However, our wide product assortment and customer base balance market fluctuations on our part. For example, now that the price of sawn timber has decreased, plywood and chipboard prices have increased.*

*We want to secure our access to raw materials in all circumstances, which is why a close partnership with forest owners is of primary importance to us. We would see the forest owners as highly welcomed new owners of Koskisen, alongside other investors."*

**Press Conference**

We kindly invite you to attend Koskisen's virtual press conference to be held today November 11, 2022 at 11:00 a.m. EET through the following link: <https://koskisen.worksup.com/> (the press conference will be held in Finnish).

**Koskisen in Brief**

Koskisen is a Finnish, family-owned wood-processing company with more than hundred years of history operating on the wood products markets. Wood products are a good alternative for materials in multiple applications due to their positive carbon sink (i.e., they absorb more carbon dioxide than is released during their production), durability, and renewable nature. Koskisen's carbon handprint exceeds its carbon footprint multiple times and its products tie carbon for decades to come.

Koskisen's production facilities are located in Järvelä and Hirvensalmi, Finland, and Toporów, Poland. Koskisen's key market segments include sawn softwood, birch plywood and chipboard. In the year ended December 31, 2021, Koskisen generated sales from approximately 70 countries.

Koskisen has two business segments: Sawn Timber Industry (representing 60.4 percent of revenue, before the elimination of internal sales, for the year ended December 31, 2021) and Panel Industry (representing 39.6 percent of revenue, before the elimination of internal sales, for the year ended December 31, 2021). The Sawn Timber Industry business segment produces sawn and further processed timber and the Panel Industry business segment produces plywood, thin plywood, veneers, chipboards and interior solutions for light and heavy commercial vehicles under the Kore brand.

The Company's Wood Procurement function, which is part of the Sawn Timber Industry business segment, is responsible for procuring wood for Koskisen's own production facilities. In addition, the Wood Procurement function delivers side products from Koskisen's own production for bioenergy production to power plants located at Koskisen's production facilities owned and operated by a third party and to several other nearby power plants as well as supplies raw materials (chips and fiber wood) to paper and pulp manufacturers.

Koskisen complies with the requirements of the Programme for the Endorsement of Forest Certification ("PEFC") chain of custody certificate and the Forest Stewardship Council A. C. ("FSC") chain of custody certificate in all of its wood procurement. Koskisen tracks the origin of the wood it procures and uses a wood origin chain of custody system to ensure that all wood material is acquired legally and ethically from trustworthy sources. Currently, Koskisen purchases most of its wood in Finland from thousands of private forest owners, whose forests are mainly located in southern and eastern Finland.

Koskisen offers a variety of services to Finnish forest owners, aligning long term interests of the forest owners and Koskisen by optimizing the value of the forest. In its forest management practices, Koskisen's concrete actions include industry best practices, such as favoring mixed forests over single species forests, regeneration felling, leaving high stumps, protecting swamp border areas, and sparing of spinnery, rotten wood and low yield areas.

Koskisen focuses on material efficiency, recycling and usage of fossil free materials in its production. For example, 98 percent of the heat energy used by Koskisen was produced with biofuels in 2021, with a short term target being close to 100 percent. Focusing on long term biodiversity and sustainable practices, Koskisen aims to ensure the availability of high quality, certified Finnish wood also in the future.

### **New Unit in Järvelä**

Koskisen is currently building a new wood processing unit in Järvelä, where production is expected to begin in stages during 2023 and 2024. During the ramp-up period, the old unit will continue production, ensuring business continuity. The new unit is expected to increase the Sawn Timber Industry business segment's current 300,000 cubic meter annual production capacity of sawn goods in Järvelä, Finland, by 33 percent to approximately 400,000 cubic meters.

The investment size is estimated at approximately EUR 50 million, of which part has been invested already. The new unit is estimated to increase the Sawn Timber Industry business segment's EBITDA by EUR 8 million on an annual basis, when fully operational (*i.e.*, from the beginning of 2024 according to the Company's estimate).

The new Järvelä unit is expected to provide the following benefits to Koskisen:

- added processing capacity;
- added product offering, especially for the Japanese market, which is important for the Company;
- higher log yield due to modern state of the art technology;
- enhanced operative efficiency by up to 40 percent in the sawing process as a result of increased automation and higher production capacity;
- savings in Koskisen's fixed and variable production costs;
- broader range of usage of raw materials; and
- an option to increase capacity through limited investments.

In the future, Koskisen may increase the annual production capacity of 400,000 cubic meters in the new Järvelä unit up to 500,000 cubic meters through limited investments. Further investment potential related to the unit includes de-bottlenecking of other process stages, such as drying capacity.

### **Key Strengths**

Koskisen believes that the following factors are among its key strengths and represent competitive advantages:

- growing underlying market driven by multiple sustainability#linked factors;
- sustainability addressed at all stages of Koskisen's production;
- frontrunner in integrated mechanical wood processing;
- high quality tailor#made products of Finnish wood;
- future investments create a basis for improving financial performance further; and
- management with broad experience from the industry.

### **Key Demand Drivers**

Market growth is expected to be driven by several sustainability linked factors as environmental awareness is a key megatrend impacting all aspects of the market. Koskisen believes that companies that focus on sustainability throughout the value chain and include it in their strategies are well positioned to take advantage of this trend.

The key market drivers of the wood products market are expected to be:

- (i) increasing regulation to cut emissions supports the use of wood products;
- (ii) growing construction volumes combined with wood materials create demand for wood products;
- (iii) increasing logistics volumes and need for transportation vehicles create demand for plywood solutions in the light commercial vehicle industry; and
- (iv) increasing use of wood in furniture as more sustainable, durable and resistant alternative.

### **Russia's Exclusion from the Market**

Market dynamics in the forestry and wood products industry are currently disrupted as supply from Russia and Belarus is subject to sanctions. Particularly in panel products, the restrictions have had an impact on the supply from Russia, which has reduced supply in Europe significantly.

Russia has historically been an important supplier of wood products for Europe. The volume of sawn softwood sourced from Russia in 2021 amounted to almost 7 percent of the volume available for Europe. The restrictions are expected to affect the most to birch plywood market segment, where up to 60 percent of the supply has been lost as a result of the sanctions and other similar restrictions. In the chipboard market segment, the sanctions have so far only had a limited effect on the European market.

### **Koskisen's Strategy**

Koskisen has formulated its strategy to act as the cornerstone for all of its operations. Koskisen's key strategic priorities are the following:

- **Understanding and Exceeding Customer Expectations:** Koskisen believes that it is known for the high and uncompromised quality of its products, operations and personnel. Koskisen's aim is to be a creative and agile player in wood products markets and to constantly develop new innovative solutions for its current and potential customers. Koskisen is proud of its roots and aims to be the best employer in its industry and operational region. Koskisen considers its professional and strong sales organization along with its continuously developing network of sales agents as its strategic resources, providing competitive advantages for Koskisen;
- **Operating through an Agile Business Model:** In addition to high quality, agility is in the center of Koskisen's strategy. Koskisen believes that agility in terms of responsiveness to customer requests and a high service level create a differentiating factor against many of Koskisen's competitors. Closely monitoring customer needs, offering customized products and services to customers and delivering products to its customers in a flexible and timely manner plays a key role in retaining current customers and acquiring new customers. Koskisen's production is agile due to Koskisen being able to produce smaller batches of end products that can be customized according to the needs of the customer (e.g.,

dimension, volumes, qualities and delivery). Koskisen's agile business model focusing on direct sales to its customers makes Koskisen's business less volatile to market cyclicity and enables Koskisen to serve customers more flexibly and react more rapidly to changes in market demand and conditions; and

- **Frontrunner in Sustainability as a Goal:** Koskisen believes that compliance with the principles of sustainable development is the foundation of its operations and, therefore, Koskisen aims to be a frontrunner in sustainability in the wood products industry globally. This goal is achieved by reducing the already low carbon footprint of Koskisen's operations and increasing its carbon handprint by developing even more sustainable products. Koskisen addresses sustainability at all stages of its operations and considers sustainability as one of its primary values.

### Financial Targets and Dividend Policy

Koskisen's goal is to profitably grow its business considerably and the Board of Directors of the Company has adopted the following long term financial targets over the cycles that the Company aims to achieve by the end of 2027:

- **Growth:** revenue EUR 500 million, including both organic and inorganic growth;
- **Profitability:** adjusted EBITDA margin of 15 percent over cycle;
- **Balance sheet:** maintaining a strong balance sheet; and
- **Dividend policy:** an attractive dividend, which is at least one-third of the net profit annually.

The Board of Directors of the Company has preliminary assessed to propose to the general meeting of shareholders of the Company in 2023 that the Company would pay a EUR 10 million dividend in 2023 in deviation from the dividend policy due to Koskisen's forecasted strong year 2022. The final resolution on the payment of the dividend will be made by the Company's annual general meeting of shareholders in the spring 2023.

### Profit Forecast

Koskisen estimates that its revenue will remain at the same level in 2022 compared to the level in 2021 and that its adjusted EBITDA will increase in 2022 compared to the level in 2021. For the year ending December 31, 2022, Koskisen estimates revenue to reach approximately EUR 310 million and adjusted EBITDA to reach between 21 and 23 percent. Koskisen estimates that in 2023 its revenue will not exceed the level in 2022 and its adjusted EBITDA will be 12–14 percent. Koskisen estimates that in 2023 the Sawn Timber Industry business segment's profitability will remain at the level of 2022 or improve compared to the level of 2022, and that the Panel Industry business segment's profitability will decrease compared to the level of 2022 as a result of the decrease in the prices of sawn goods. In addition, Koskisen estimates that the increased production capacity at the new Järvelä unit will increase Koskisen's revenue and profitability, as well as improve the Sawn Timber Industry business segment's EBITDA annually by EUR 8 million as of 2024.

Koskisen's profit forecast is based on the estimates and assumptions of the Company's management regarding the development of the Company's revenue, profit and operating environment. The profit forecast for 2022 is based in particular on the development of the Company's business during the first three quarters of 2022 and on the estimated development of the business in the last quarter of 2022 based on the data available to the Company. Profit forecast for 2023 is based in particular on the estimated development of profitability and demand in the Panel Industry business segment in 2022, as well as on the estimated decrease in prices in the Sawn Timber Industry business segment. Key factors affecting the forecasts, that the Company may affect, are the productivity and efficiency of the Company's own operations. Factors beyond the Company's control relate, in particular, to general economic development, the escalation of the global political situation, rising inflation and interest rates, and their impact on the potential increasing uncertainty on the demand for the Company's products. Uncertainty, both in terms of revenue and costs, is exacerbated, in particular, by the ongoing war in Ukraine and the effect of inflation increasing prices or decreasing consumer demand.

### Koskisen Financial Highlights

The selected consolidated financial information set forth below has been derived from (i) Koskisen's unaudited consolidated interim financial information as at and for the nine months ended September 30, 2022 and 2021, prepared in accordance with "IAS 34 – Interim Financial Reporting," (ii) Koskisen's unaudited consolidated interim financial information as at and for the three months ended September 30, 2022, and (iii) from Koskisen's unaudited consolidated financial statements as at and for the years ended December 31, 2021 and 2020, prepared in accordance with the International Financial Reporting Standards ("IFRS").

The following table sets forth the key figures of Koskisen for the periods indicated:

	As at and for the three months ended September	As at and for the nine months ended September 30,		As at and for the year ended December 31,	
	30, 2022	2022	2021	2021	2020
	(IFRS)				
	(unaudited)				
	(EUR in thousands, unless otherwise indicated)				
<b>KEY FIGURES</b>					
Revenue	67,405	240,208	219,343	311,464	219,957

Items affecting comparability (1)	1,144	(700)	-	34	-
EBITDA (2)	10,317	56,440	39,308	62,236	11,340
EBITDA margin (3), percent	15.3	23.5	17.9	20.0	5.2
Adjusted EBITDA (4)	11,461	55,740	39,308	62,270	11,340
Adjusted EBITDA margin (5), percent	17.0	23.2	17.9	20.0	5.2
Operating profit (loss)	8,319	50,324	32,958	52,711	2,233
EBIT margin (6), percent	12.3	21.0	15.0	16.9	1.0
Adjusted EBIT (7)	9,463	49,624	32,958	52,745	2,233
Adjusted EBIT margin (8), percent	14.0	20.7	15.0	16.9	1.0
Profit (loss) before income tax	n/a	50,863	29,132	47,944	(4,360)
Profit (loss) for the period	n/a	40,952	23,217	38,546	(3,979)
Net cash flows from operating activities	n/a	31,119	27,338	48,576	4,241
Net investments (g)	n/a	16,568	8,140	9,632	3,589
Cash flow before financing (10)	n/a	17,686	19,198	28,954	518
Number of full#time equivalent employees at the end of the period (11)	n/a	865	858	931	865
Average number of full#time equivalent employees during the period (12)	n/a	863	990	909	892
			<b>As at September</b>	<b>As at December 31,</b>	
			<b>30, 2022</b>	<b>2021</b>	<b>2020</b>



	(IFRS)		
	(unaudited)		
	(EUR in thousands, unless otherwise indicated)		
Total assets	220,145	200,306	151,776
Total equity	100,339	58,820	20,404
Capital employed (13)	153,826	134,513	102,807
Liquid assets (14)	46,267	40,496	7,881
Net debt (15)	13,439	34,067	71,436
Net debt/EBITDA, ratio (16)	0.17	0.55	6.30
Operative net working capital (17)	37,576	36,998	28,188
Operative net working capital as share of revenue, percent (18)	11.3	11.9	12.8
Equity ratio (19), percent	45.7	29.5	13.5
Gearing (20), percent	13.4	57.9	350.1
Return on capital employed (21), percent	50.4	44.4	2.2
Return on equity (22), percent	78.2	97.3	(17.7)
Depreciation related to leases (23)	2,373	3,278	3,025
Additions from leases (24)	882	1,066	6,019

(1) Items affecting comparability are unusual material items outside the ordinary course of business that relate to (i) costs related to the Reorganization, (ii) impairment charges, (iii) the gain or loss from the sale of businesses or significant fixed assets and (iv) costs related to the contemplated Listing. Items affecting comparability is presented to reflect the underlying business performance of Koskisen and to enhance comparability between periods. Koskisen believes that items affecting comparability provide meaningful supplemental information by excluding items outside the ordinary course of business that reduce comparability between periods.

(2) EBITDA = Operating profit (loss) + Depreciation, amortization and impairments

EBITDA is an indicator used to measure Koskisen's performance.

(3) EBITDA margin, percent = EBITDA / Revenue × 100

EBITDA margin is an indicator used to measure Koskisen's performance.

(4) Adjusted EBITDA = EBITDA + Items affecting comparability

Adjusted EBITDA is an indicator used to measure Koskisen's performance. Adjusted EBITDA is presented in addition to EBITDA to reflect the underlying business performance and to enhance comparability between periods. Koskisen believes that adjusted EBITDA provides meaningful supplemental information by excluding items outside the ordinary course of business that reduce comparability between periods.

(5) Adjusted EBITDA margin, percent = Adjusted EBITDA / Revenue × 100

Adjusted EBITDA margin is an indicator used to measure Koskisen's performance. Adjusted EBITDA margin is presented in addition to EBITDA margin to reflect the underlying business performance and to enhance comparability between periods. Koskisen believes that adjusted EBITDA margin provides meaningful supplemental information by excluding items outside the ordinary course of business that reduce comparability between periods.

(6) EBIT margin, percent = Operating profit (loss) / Revenue × 100

EBIT margin is an indicator used to measure Koskisen's performance.

(7) Adjusted EBIT = Operating profit (loss) + Items affecting comparability

Adjusted EBIT is an indicator used to measure Koskisen's performance. Adjusted EBIT is presented in addition to operating profit (loss) to reflect the underlying business performance and to enhance comparability between periods. Koskisen believes that adjusted EBIT provides meaningful supplemental information by excluding items outside the ordinary course of business that reduce comparability between periods.

(8) Adjusted EBIT margin, percent = Adjusted EBIT / Revenue × 100

Adjusted EBIT margin is an indicator used to measure Koskisen's performance. Adjusted EBIT margin is presented in addition to EBIT margin to reflect the underlying business performance and to enhance comparability between periods. Koskisen believes that adjusted EBIT margin provides meaningful supplemental information by excluding items outside the ordinary course of business that reduce comparability between periods.

(9) Net investments = Purchases of property, plant and equipment and intangible assets - Proceeds from sale of non-current assets

Net investments is a measure used to assess Koskisen's investments to right-of-use assets and intangible assets.

(10) Cash flow before financing = Net cash flows from operating activities + Net cash flows from investing activities

Cash flow before financing reflects the amount of cash flow Koskisen generates or uses from carrying out its operating and investing activities.

(11) Number of full-time equivalent employees at the end of the period = Total number of hours worked by Koskisen's employees at the end of the period / The total number of scheduled hours for a full-time employee at the end of the period

Number of full-time equivalent employees at the end of the period presents the number of Koskisen's full-time equivalent employees at the end of the period.

(12) Average number of full-time equivalent employees during the period = Total number of hours worked by Koskisen's employees during the period / The total number of scheduled hours for a full-time employee during the period

Average number of full-time equivalent employees during the period presents the average number of Koskisen's full-time equivalent employees during the period.

(13) Capital employed = Total assets - Current liabilities

Capital employed reflects the capital tied to Koskisen's operations and it is used to calculate return on capital employed.

(14) Liquid assets = Current financial assets at fair value through profit or loss + Cash and cash equivalents

Liquid assets reflects the amount of cash and other assets that are readily convertible to cash.

(15) Net debt = Borrowings(25) + Lease liabilities - Liquid assets

Net debt is an indicator used to assess Koskisen's total external debt financing.

(16) Net debt/EBITDA, ratio = Net debt / EBITDA (last 12 months)

Net debt/EBITDA is an indicator used to assess the level of Koskisen's financial risk and the level of Koskisen's indebtedness.

(17) Operative net working capital = Inventories + Trade receivables + Other receivables - Advances received - Trade payables - Trade payables, payment system

Operative net working capital is an indicator used to monitor the level of direct net working capital tied to Koskisen's operations.

(18) Operative net working capital as share of revenue, percent = Operative net working capital / Revenue (last 12 months) × 100

Operative net working capital as share of revenue reflects net working capital/Koskisen's revenue.

(19) Equity ratio, percent = Total equity / (Total assets - Advances received) × 100

Equity ratio measures Koskisen's solvency and ability to meet its liabilities in the long term.

(20) Gearing, percent = Net debt / Total equity × 100

Gearing is a measure used to assess Koskisen's financial leverage.

(21) Return on capital employed, percent = Operating profit (loss) (last 12 months) / Capital employed (average for the last 12 months) × 100

Return on capital employed reflects the return of capital tied to Koskisen's operations.

(22) Return on equity, percent = Profit (loss) for the period (last 12 months) / Total equity (average for the last 12 months) × 100

Return on equity is a measure used to assess Koskisen's profitability and the efficiency of Koskisen's profit generation.

(23) Depreciation related to leases = Depreciation of right-of-use assets

Depreciation related to leases reflects depreciation of right-of-use assets recognized from leases.

(24) Additions from leases = Additions to right-of-use assets

Additions from leases reflect additions of right of use-assets recognized from leases.

(25) The item "Borrowings" includes the capital loans granted to Koskisen by certain Koskisen's shareholders that amounted to a total of EUR 7.2 million (including accrued unpaid interest) as at September 30, 2022 (EUR 12.1 million as at December 31, 2021, EUR 11.5 million as at December 31, 2020, and EUR 10.9 million as at December 31, 2019). The capital loans have an annual interest of seven percent.

The following table sets forth selected information on Koskisen's segments for the periods indicated:

	<b>For the three months ended September 30,</b>	<b>For the nine months ended September 30,</b>	<b>For the year ended December 31,</b>
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	2022	2022	2021	2021	2020
	(IFRS)				
	(unaudited)				
	(EUR in thousands, unless otherwise indicated)				
<b>Sawn Timber Industry business segment</b>					
External revenue (1)	32,833	129,960	127,556	187,980	120,051
EBITDA (2)	6,091	38,095	31,973	50,652	2,630
EBITDA margin (3), percent	18.6	29.3	25.1	26.9	2.2
<b>Panel Industry business segment</b>					
External revenue (1)	34,543	110,167	91,628	123,281	99,781
EBITDA (2)	6,246	19,902	11,059	14,063	8,752
EBITDA margin (3), percent	18.1	18.1	12.1	11.4	8.8
<b>Others</b>					
External revenue (1)	30	81	159	204	125
EBITDA (2)	(2,020)	(2,560)	(3,680)	(2,413)	(33)

(1) Segment revenue excluding internal sales.

(2) EBITDA = Operating profit (loss) + Depreciation, amortization and impairments

EBITDA is an indicator used to measure Koskisen's performance.

(3) EBITDA margin, percent = EBITDA / Revenue × 100

EBITDA margin is an indicator used to measure Koskisen's performance.

## Information on the Offering

The objective of the Offering is to enable Koskisen to implement its growth strategy. The Offering will enable the Company to obtain access to capital markets, expand its ownership base and increase the liquidity of its shares. The Listing and increased liquidity would also make it possible to use the shares more effectively as consideration in potential future transactions. Additional visibility is also expected to further increase Koskisen's recognition among the public and customers and as an employer.

Koskisen aims to raise gross proceeds of approximately EUR 30 million in the Offering by offering new shares for subscription. The Board of Directors of the Company will resolve on the final terms and conditions and the structure of the Offering closer to the beginning of the subscription period. All of the current principal owners of the Company will remain significant shareholders after the Offering. The Company, its current owners, the members of the Board of Directors of the Company and the members of the Executive Board of Koskisen are expected to commit to customary lock-up restrictions.

The contemplated Offering will consist of (i) a public offering to private individuals and entities in Finland, (ii) an institutional offering to institutional investors in Finland and, in accordance with applicable laws, internationally and (iii) a personnel offering to the Company's and its subsidiaries' personnel in Finland.

The following Cornerstone Investors have, subject to certain customary conditions, given subscription undertakings for a total of approximately EUR 15 million, provided that the value of the company's existing shares does not exceed approximately EUR 109 million:

- Varma Mutual Pension Insurance Company;
- Elo Mutual Pension Insurance Company;
- Stephen Industries Inc Oy; and
- UB Fund Management Company Ltd.

## Advisors

Nordea Bank Abp is acting as sole global coordinator and bookrunner for the Offering (the "Global Coordinator"). White & Case LLP is acting as legal adviser to the Company in connection with the Offering. Roschier, Attorneys Ltd. is acting as legal adviser to the Global Coordinator in connection with the Offering. Milton Ltd is acting as communications adviser to the Company.

## Further Enquiries

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## Media Requests

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## Important Information

This announcement is not being made in and copies of it may not be distributed or sent into the United States, the United Kingdom, Canada, Australia or Japan.

This document is not a prospectus for the purposes of the Prospectus Regulation (EU) 2017/1129 (the "Prospectus Regulation") and underlying legislation. A prospectus prepared pursuant to the Prospectus Regulation and approved by the Finnish Financial Supervisory Authority will be published, and when published can be obtained from Koskisen Corporation (the "Company") and other places indicated in the prospectus. Investors should not subscribe for or purchase any securities referred to in this announcement except on the basis of information contained in the prospectus.

This announcement does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities in the United States. The securities referred to herein may not be sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended. The Company does not intend to register any of the securities in the United States or to conduct a public offering of the securities in the United States.

In any member state of the European Economic Area other than Finland (each a "Relevant State"), this information and this offering are only addressed to and directed at persons who are "Qualified Investors" within the meaning of Article 2(e) of the Prospectus Regulation. The securities are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, Qualified Investors. This information should not be acted upon or relied upon in any Relevant State by persons who are not Qualified Investors.

This communication does not constitute an offer of the securities to the public in the United Kingdom. No prospectus has been or will be approved in the United Kingdom in respect of the securities. This communication is being distributed to and is directed only at (i) persons who are outside the United Kingdom, (ii) persons who are investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (iii) high net worth entities, and other persons to whom this announcement may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "Relevant Persons"). Any investment activity to which this communication relates will only be available to and will only be engaged with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this document or any of its contents.

## Forward-looking Statements

Matters discussed in this announcement may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe," "expect," "anticipate," "intends," "estimate," "will," "may," "continue," "should" and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although Koskisen Corporation believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors, which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements.

The information, opinions and forward-looking statements contained in this announcement speak only as at its date, and are subject to change without notice.

## Key Market Segments

- **Sawn softwood:** The sawn softwood market segment consists of sawn products that are used for furniture and industrial construction and processed timber products that are used mainly for exterior and interior cladding panels, furniture and other applications as well as for construction purposes. Koskisen produces sawn wood from Nordic spruce and pine, the end products of which are primarily sawn timber and further processed timber;
- **Birch plywood:** Plywood is a thin but strong wooden board made of multiple veneer sheets that are glued and then pressed together with the direction of the grain altering creating cross laminated layers. Plywood binds resin and wood fiber sheets to create a composite material that is sold as panels. The core layers of plywood act as a separator between the outer layers improving resistance and moldability. The plywood panels are lightweight and durable and, therefore, act as a suitable material for various end uses. Thin plywood is manufactured in the same way, but using thinner veneer sheets than for regular plywood. Substitutes for plywood products are limited due to birch plywood's technical characteristics, such as durability. Koskisen is expected to benefit from the tight supply situation in Europe in the coming years due to Russian sanctions, since it is one of only a few large birch plywood producers in Europe; and
- **Chipboard:** The chipboard market segment comprises a wide range of products suitable for applications within the furniture, interior design and construction industries. The chipboard itself typically consists of three layers where fine particles are on the surface and coarse particles in the core, for which the raw materials often come from residues (e.g., chips and sawdust) that are then coated (e.g., with melamine (Melamine Faced Chipboard "MFC")) in order to enhance durability. In the furniture and interior design industry, chipboard is used for cabinets and affordable ready to assemble and flatpack furniture, such as shelves, doors and covering boards as well as within logistics chipboard can be used for various applications such as ceiling panels. Koskisen offers a broad selection of chipboard products for construction, furniture and interior design. The chipboard products are produced at

Press Release  
11 November 2022 09:00:00 EET



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Koskisen's production facility in Järvelä, Finland, which is the only chipboard mill in Finland and, the production of which covered around half of the total chipboard demand in Finland in 2021.

**Attachments**

[Koskisen is planning an Initial Public Offering and Listing on the Official List of Nasdaq Helsinki Ltd](#)