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ETTEPLAN OYJ ANNOUNCES A RECOMMENDED CASH OFFER OF SEK 149 PER SHARE TO THE SHAREHOLDERS OF SEMCON AB

Etteplan Oyj ("Etteplan") hereby announces a recommended public offer to the shareholders of Semcon AB ("Semcon" or the "Company") to tender all their shares in Semcon[1] at a price of SEK 149 in cash per share (the "Offer"). The shares in Semcon are admitted to trading on Nasdaq Stockholm, Small Cap, under the ticker SEMC.

Summary of the Offer

- Etteplan offers SEK 149 in cash per Semcon's share (the "Offer Price"). The total value of the Offer is approximately SEK 2,699 million.[2] The Offer Price will not be increased.
- The Offer Price represents a premium of:
 - 31.6 percent compared to the closing price of SEK 113.20 of Semcon shares on Nasdaq Stockholm on 22 August 2022, which was the last trading day prior to the announcement of the Offer;
 - 32.0 percent compared to the volume-weighted average trading price of SEK 112.89 of Semcon shares on Nasdaq Stockholm during the last 30 trading days prior to the announcement of the Offer; and
 - 27.6 percent compared to the volume-weighted average trading price of SEK 116.81 of Semcon shares on Nasdaq Stockholm during the last 180 trading days prior to the announcement of the Offer.
- The Board of Directors of Semcon unanimously recommends that the shareholders of Semcon accept the Offer. The recommendation is supported by a fairness opinion provided by Öhrlings PricewaterhouseCoopers AB ("PwC")[3].
- The Company's largest shareholder JCE Group, representing in total approximately 25.9 percent of the outstanding shares in Semcon, has undertaken to accept the Offer. Additionally, other large shareholders, representing in total approximately 21.7 percent of the outstanding shares in Semcon have confirmed their intention to accept the Offer.
- The acceptance period is expected to commence on or around 1 September 2022 and expire on or around 6 October 2022.

- The Offer is conditional upon the Offer being accepted to such extent that Etteplan becomes the owner of shares in Semcon representing more than 90 percent of the total number of shares in Semcon (on a fully diluted basis). In addition, the Offer is made on the terms and subject to the conditions 1-6 set out below in this announcement.

Commenting on the Offer, Juha Näkki, President and CEO of Etteplan:

"We have closely followed the successful transformation of Semcon during the last years – a journey that bears a resemblance to how Etteplan has evolved throughout its history. I strongly believe that the combination of Etteplan and Semcon makes sense from all angles. To us both as companies, the combination would mean a step-change in growth potential. It would allow us to provide more comprehensive and diverse services for our customers globally and to be an even more attractive collaboration partner for customers, suppliers, and other important stakeholders alike. For Semcon shareholders, the offer represents an attractive premium, and for Etteplan shareholders the combination would create long-term shareholder value. And, for our existing and future employees, our most important asset, it would mean new development paths, significant and meaningful projects, and cross-pollination of talent in a more international company. I am convinced that this is the best strategic option also for Semcon, and I am truly excited about the prospect of together creating a leading Nordic technology services company."

Background and strategic rationale for the Offer

Etteplan, headquartered in Finland, and Semcon, headquartered in Sweden, are both internationally operating technology service companies that primarily provide solutions for industrial customers. Together the two companies would complement and strengthen each other in both services and expertise, and geographical presence. The combined company would become a Nordic market leader in technology services for industries. The new entity would be a Nordic market leader in product engineering, a strong player in production solutions and smart factory solutions, and a European market leader in technical product information. The new company would also be a significant player in software and digitalization solutions.

Etteplan and Semcon both operate in the technology services market, where customer demand is driven by the accelerating technological development and digitalization, and a growing need for sustainable solutions and skilled experts. The ability to fulfil the complex, wide, and global customer needs is a key competitive edge in technology services. Despite a fragmented market, customer preferences are moving towards fewer and more holistic partnerships, further emphasizing the importance of scope in offering, expertise, and geographical presence.

Etteplan believes that the combined company would be well equipped to answer the market trends, unlocking growth potential that would not be achievable to either company alone. The two companies would strengthen and partially complement each other in customer segments, Etteplan especially strong within the industrial sector, and Semcon within the automotive and life sciences sectors. Geographically, the combined company would strengthen its presence significantly in its key markets, with Sweden as its largest market, and extend its global reach. In addition, the combined company would have the possibility to invest even more into offering and people development, further capitalizing on its improved market position.

Etteplan believes that the two companies would be an excellent strategic, operational, and cultural fit. The transformation of Semcon during the last years has been successful and it has brought the two companies closer to each other. Shared Nordic values, together with similarities in the historical strategic paths of the two companies, provide a good starting-point for a shared journey. Improved opportunities for professional development as part of a market-leading and more international company, together with a strong tradition of putting people first, would make the combined company a great home for its employees and an attractive employer for new talents.

Realizing the full potential of the combined company is expected to require close cooperation and the mutual integration of Etteplan and Semcon. The planned combination is first and foremost a growth effort, aiming to cherish and grow the talent and expertise within the combined company. Therefore, employee reductions are not sought. However, there are some overlapping operations in the management and administration of the two companies and there will be some personnel effects. The future structure and operating model of the new company will be planned together and the appointments to key roles will be made from both companies. Some of the offices of the two companies are located in the same areas and going forward, combining offices in those locations will be considered.

Etteplan believes that the combination has significant synergy effects, currently estimated to be more than EUR 5 million in total annually. The synergies will create long-term shareholder value. The combined company would be attractive for both current and future employees and a great collaboration partner for its customers, suppliers, and other important stakeholders.

The Offer

Consideration

Etteplan offers SEK 149 in cash per share in Semcon. The Offer price of SEK 149 per share will not be increased.

Should Semcon, prior to the settlement of the Offer, distribute dividends or in any other way distribute or transfer value to its shareholders, the Offer Price will be reduced accordingly.

No commission will be charged in connection with settlement of the Offer.

The total value of the Offer

The total value of the Offer is approximately SEK 2,699 million.[4]

Premium

The Offer Price represents a premium of[5]:

- 31.6 percent compared to the closing price of SEK 113.20 of Semcon shares on Nasdaq Stockholm on 22 August 2022, which was the last trading day prior to the announcement of the Offer;
- 32.0 percent compared to the volume-weighted average trading price of SEK 112.89 of Semcon shares on Nasdaq Stockholm during the last 30 trading days prior to the announcement of the Offer; and

- 27.6 percent compared to the volume-weighted average trading price of SEK 116.81 of Semcon shares on Nasdaq Stockholm during the last 180 trading days prior to the announcement of the Offer.

Recommendation from the Board of Directors of Semcon and fairness opinion

The Board of Directors of Semcon unanimously recommends that the shareholders of Semcon accept the Offer.[6] The Board of Directors of Semcon has obtained a fairness opinion from Öhrlings PricewaterhouseCoopers AB regarding the Offer stating that the Offer is fair from a financial point of view to the shareholders of Semcon.

Undertakings from shareholders of Semcon

Etteplan has obtained an undertaking to accept the Offer from the Company's largest shareholder JCE Group AB. JCE Group AB has undertaken, on certain customary conditions, to tender 4,682,991 shares (representing 25.9 percent of the outstanding shares in Semcon). The undertaking is conditional upon no superior competing offer having been formally announced prior to the end of the acceptance period, provided that the value of such competing offer exceeds the value per share under the Tender Offer at that time of the announcement of the competing offer by no less than five per cent. The undertaking will terminate if the Offer fails to complete on or before 1 December 2022.

Etteplan has further discussed with other large shareholders[7] and received positive feedback. Shareholders representing a total of 3,928,844 shares in Semcon (21.7 percent) have confirmed their intention to accept the Offer. These shareholders include Nordea Fonder, Otus Capital Management as well as Ennismore Fund Management.

Etteplan's shareholding in Semcon

As at the announcement of the Offer, Etteplan does not own any shares in Semcon. Neither Etteplan nor any closely related party to Etteplan owns any shares or other financial instruments that provide a financial exposure equivalent to a shareholding in Semcon. Further, neither Etteplan nor any closely related party to Etteplan has acquired, or undertaken to acquire, shares in Semcon or any other financial instruments that provide a financial exposure equivalent to a shareholding in Semcon on terms more favourable than the terms of the Offer during the latest six months before the announcement of the Offer.

Etteplan reserves the right to acquire, or enter into arrangements in respect of acquisitions of, shares in Semcon, including acquisitions on the market at prevailing prices or in private transactions at negotiated prices. Any such acquisitions will be carried out and announced in accordance with applicable laws and regulations.

Conditions for the Offer

The completion of the Offer is conditional upon:

1. The Offer being accepted to such extent that Etteplan becomes the owner of more than 90 percent of the total number of outstanding shares in Semcon.
2. That neither the Offer nor the acquisition of Semcon, is wholly or partly prevented or materially adversely affected by any legislation or other regulation, court decision, public authority decision or similar circumstance.

3. That no circumstances have occurred that could have a material adverse effect or could reasonably be estimated to have a material adverse effect, on Semcon's financial standing or business, including Semcon's sales, results, liquidity, asset to equity ratio, equity, or assets, not including circumstances triggered by the Offer.
4. That no information that has been announced by Semcon or disclosed by Semcon to Etteplan or Etteplan's advisors is incorrect, incomplete, or misleading, and that Semcon has announced all information that must be announced.
5. That Semcon does not take any measures that typically are intended to impair prerequisites for the implementation of the Offer.
6. That all regulatory, governmental or similar clearances, approvals and decisions that are necessary for the Offer and the acquisition of Semcon, including from competition authorities, have been received on terms which, in Etteplan's opinion, are acceptable.

Etteplan reserves the right to withdraw the Offer in the event that it is clear that any of the above conditions are not satisfied or cannot be satisfied. However, with regard to conditions 2-6 above, the Offer may only be withdrawn provided that the non-satisfaction of such condition is of material importance to Etteplan's acquisition of Semcon or if otherwise approved by the Swedish Securities Council. Etteplan reserves the right to waive, in whole or in part, one, several or all of the conditions set out above, including, with respect to condition 1, to complete the Offer at a lower level of acceptance.

Information regarding Etteplan

Etteplan is a rapidly growing technology service company that helps its customers to create a better and more sustainable world through engineering, innovation and digitalization. Etteplan believes that solving tomorrow's challenges will require a different, more structured, and focused approach. It is a forerunner in the engineering industry and it differentiates itself by combining its expertise and new technologies into solutions that create higher value to its customers. With its three service areas, Engineering Solutions; Software and Embedded Solutions; and Technical Documentation Solutions, Etteplan forms a unique service offering to cover the entire product life cycle. Etteplan's customers include world's leading companies in the manufacturing industry. Etteplan has more than 4,000 professionals in eight countries in 87 offices. For more information, please visit www.etteplan.com.

Financing of the Offer

The Offer is not subject to any financing conditions. The cash consideration payable to the Company's shareholders under the terms of the Offer will be financed by funds available to Etteplan pursuant to debt financing committed to be provided by Ingman Group Oy Ab, Danske Bank A/S, Finland Branch, and Nordea Bank Abp, on terms which are customary for financing of public offers. The abovementioned financing will provide Etteplan with sufficient cash resources to satisfy the full consideration payable in respect to the Offer and, accordingly, completion of the offer is not subject to any financing condition.

Ruling by the Swedish Securities Council

In its ruling AMN 2022:32, the Swedish Securities Council (Sw. Aktiemarknadsnämnden) has granted Etteplan dispensation from the requirement to direct the Offer to shareholders resident in the United States. The ruling is held available on the website of the Swedish Securities Council www.aktiemarknadsnamnden.se.

Due diligence in connection with the Offer

Etteplan has, in connection with the preparations of the Offer, conducted a limited confirmatory due diligence review of Semcon. Semcon has confirmed that Etteplan has not been provided with any inside information regarding Semcon in connection with the due diligence review.

Preliminary timetable

Publication of the offer document 31 August 2022
Acceptance period begins 1 September 2022
Acceptance period ends 6 October 2022
Commencement of settlement 12 October 2022

Etteplan reserves the right to, on one or more occasions, extend the acceptance period for the Offer and postpone the settlement date. A notice of any such extension and/or postponement(s) will be announced by Etteplan by means of press release(s) in accordance with applicable rules and regulations.

Compulsory acquisition and delisting

In the event Etteplan acquires more than 90 percent of the outstanding shares in Semcon, Etteplan intends to initiate compulsory acquisition proceedings under the Swedish Companies Act (Sw. aktieföretagslagen (2005:551)). In connection therewith, Etteplan intends to promote a delisting of the Semcon shares from Nasdaq Stockholm.

Governing law and disputes

The Offer and the agreements entered into between Etteplan and Semcon's shareholders in relation to the Offer, shall be governed by and be interpreted in accordance with Swedish law. Disputes concerning, or arising in connection with the Offer, shall be settled exclusively by Swedish courts, with the Stockholm District Court as first instance.[8]

The Takeover Rules and the Swedish Securities Council's rulings and statements on the interpretation and application of the Takeover Rules are applicable to the Offer. Etteplan has undertaken to Nasdaq Stockholm to comply with the Takeover Rules and to submit to any sanctions that can be imposed on Etteplan by Nasdaq Stockholm in the event of a breach of the Takeover Rules.

Advisors

Etteplan has retained Evli Corporate Finance AB as financial advisor and Bird & Bird Advokat KB as legal advisor in connection with the Offer.

Etteplan Oyj

The Board of Directors

The information was submitted for publication on 23 August 2022, 8.00 a.m. (CEST).

Media and investor briefing

Etteplan and Semcon invite media representatives, analysts, and shareholders of both companies to attend a live webcast briefing on the Offer, including a Q&A session, today at 10.00 a.m. CEST.

The presentation and the Q&A session will be held in English.

Participants may submit questions in writing during the event through a message platform (available via webcast link), or by telephone after the presentation when attending via teleconference.

Link to webcast: <https://etteplan.worksup.com>

The webcast can be attended also via teleconference. To participate in the teleconference, participants are asked to dial in at least 5 minutes before the start of the event using one of the following telephone numbers and the teleconference ID

Finland Toll: +358 (0) 9 2310 6867

Sweden Toll: +46 (0) 8 5024 3961

United Kingdom Toll: +44 (0) 208 142 5164

The conference ID: 778 262 298 #

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Information about the Offer is made available at www.etteplan-offer.com.

For administrative questions regarding the Offer, please contact your bank or nominee where you have your shares registered.

Important information

This announcement is not an offer, whether directly or indirectly, in Australia, Hong Kong, Japan, Canada, New Zealand, South Africa or the United States or in any other jurisdictions where such offer pursuant to legislation and regulations in such relevant jurisdictions would be prohibited by applicable law (the "Restricted Jurisdictions").

The release, publication or distribution of this press release in or into jurisdictions other than Sweden may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than Sweden should inform themselves about, and observe any applicable requirements. In particular, the ability of persons who are not resident in Sweden to accept the Offer may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Offer disclaim any responsibility or liability for the violation of such restrictions by any person.

This announcement has been prepared for the purpose of complying with Swedish law, the Takeover Rules and the Swedish Securities Council's rulings regarding interpretation and application of the Takeover Rules and the information disclosed may not be the same as that which would have been disclosed if this press release had been prepared in accordance with the laws of jurisdictions other than Sweden.

Unless otherwise determined by Etteplan or required by Swedish law, the Takeover Rules and the Swedish Securities Council's rulings regarding interpretation and application of the Takeover Rules, and permitted by applicable law and regulation, the Offer will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction or any other jurisdiction where to do so would violate the laws in that jurisdiction and no person may accept the Offer by any use, means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction or any other jurisdiction where to do so would constitute a violation of the laws of that jurisdiction and the Offer may not be capable of acceptance by any such use, means, instrumentality or facilities. Accordingly, copies of this press release and any formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction or any other jurisdiction where to do so would constitute a violation of the laws of that jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction or any other jurisdiction where to do so would constitute a violation of the laws of that jurisdiction.

The availability of the Offer to shareholders of Semcon who are not resident in and citizens of Sweden may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in or citizens of Sweden should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions.

The Offer, the information and documents contained in this press release are not being made and have not been approved by an authorized person for the purposes of section 21 of the UK Financial Services and Markets Act 2000 (the "FSMA"). Accordingly, the information and documents contained in this press release are not being distributed to, and must not be passed on to, the general public in the United Kingdom, unless an exemption applies. The communication of the information and documents contained in this press release is exempt from the restriction on financial promotions under section 21 of the FSMA on the basis that it is a communication by or on behalf of a body corporate which relates to a transaction to acquire day to day control of the affairs of a body corporate; or to acquire 50 percent or more of the voting shares in a body corporate, within article 62 of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.

This press release has been published in Swedish and English. In the event of any discrepancy in content between the two language versions, the Swedish version shall prevail.

Forward-looking statements

Statements in this press release relating to future status or circumstances, including statements regarding future performance, growth and other trend projections and their underlying assumptions, statements regarding plans, objectives, intentions and expectations with respect to future financial results, events, operations, services, product development and potential and other effects of the Offer, are forward-looking statements. These statements may generally, but not always, be identified by the use of words such as "anticipates", "intends", "expects", "believes", "estimates", "plans", "will be" or similar expressions. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Actual results and developments may differ materially from those expressed in, or implied or projected by these forward-looking statements due to many factors, many of which are outside the control of Etteplan. Any forward-looking statements made herein speak only as of the date on which they are announced. Except as required by the Takeover Rules or applicable law or regulations, Etteplan expressly disclaims any obligation or undertaking to publicly announce updates or revisions to any forward-looking statements contained in the offer document to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. The reader should, however, consult any additional disclosures that Etteplan or Semcon have made or may make.

[1] Excluding 474,542 treasury shares held by Semcon.

[2] Based on 18,112,534 outstanding shares in Semcon.

[3] Board member Carl Backman has not participated in the Semcon's Board of Directors' evaluation or discussions regarding the Offer due to a conflict of interest.

[4] Based on 18,112,534 outstanding shares in Semcon.

[5] Source for Semcon's share prices: Nasdaq Stockholm.

[6] Board member Carl Backman has not participated in the Semcon's Board of Directors' evaluation or discussions regarding the Offer due to a conflict of interest.

[7] Nordea Fonder: 1,600,098 shares (8.8 percent), Otus Capital Management: 1,564,962 shares (8.6 percent), Ennismore Fund Management: 763,784 shares (4.2 percent).

[8] Save for the undertaking by JCE Group AB, where potential disputes will be settled in accordance with provisions of the undertaking.

Attachments

[ETTEPLAN OYJ ANNOUNCES A RECOMMENDED CASH OFFER OF SEK 149 PER SHARE TO THE SHAREHOLDERS OF SEMCON AB](#)