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## Koskisen Corporation announces subscription price for its contemplated initial public offering

**Koskisen Corporation press release, November 18, 2022, at 02:15 p.m. EET**

Koskisen Corporation ("**Koskisen**" or the "**Company**"), a family-owned wood-processing company with more than hundred years of operating history, announces the subscription price (the "**Subscription Price**") for its contemplated initial public offering. On November 11, 2022, the Company announced its intention to float and list its shares (the "**Shares**") on Nasdaq Helsinki Ltd's ("**Nasdaq Helsinki**") official list.

### The Offering in brief

- The Subscription Price in the Offering (as defined below) is EUR 6.14 per Offer Share (as defined below). The subscription price in the Personnel Offering (as defined below) is 10 percent lower than the Subscription Price (*i.e.*, EUR 5.53).
- The Company aims to raise gross proceeds of approximately EUR 29.3 million by offering new shares in the Company (the "**New Shares**") for subscription (the "**Offering**"). The Company will issue preliminarily a maximum of 4,780,801 New Shares. If the Over-allotment Option (as defined below) is exercised in full, the Company would raise gross proceeds of EUR 32.2 million.
- The Offering consists of (i) a public offering to private individuals and entities in Finland (the "**Public Offering**"), (ii) an institutional offering to institutional investors in Finland and, in accordance with applicable laws, internationally (the "**Institutional Offering**") and (iii) a personnel offering to all employees who are in a full or part-time permanent employment relationship with the Company or its subsidiaries in Finland at the start of the subscription period on November 21, 2022 as well as to the members of the Board of Directors and the executive board of the Company (the "**Personnel Offering**"). Unless the context indicates otherwise, the New Shares (including the New Shares offered in the Personnel Offering (the "**Personnel Shares**")) and the Additional Shares (as defined below) are together referred to herein as the "**Offer Shares**."
- The Company is expected to grant to the Global Coordinator (as defined below) an over-allotment option, which would entitle Nordea Bank Abp ("**Nordea**") acting as stabilizing manager (the "**Stabilizing Manager**") (the "**Global Coordinator**") to subscribe for a maximum of 478,080 additional new Shares (the "**Optional Shares**") at the Subscription Price solely to cover any over-allotments in connection with the Offering (the "**Over-allotment Option**"). The Over-allotment Option is exercisable within 30 days from the commencement of trading in the Shares on Nasdaq Helsinki (*i.e.*, on or about the period between December 1, 2022, and December 30, 2022). The Stabilizing Manager and the Company are expected to

agree on a Share issue and Share return arrangement related to stabilization in connection with the Offering. Pursuant to such arrangement, the Stabilizing Manager may subscribe for a number of new Shares (the "**Additional Shares**") equal to the maximum number of Optional Shares to cover any possible over-allotments in connection with the Offering.

- Varma Mutual Pension Insurance Company, Elo Mutual Pension Insurance Company, Stephen Industries Inc Oy and UB Fund Management Company Ltd (each separately a "**Cornerstone Investor**" and together, the "**Cornerstone Investors**") have given subscription undertakings in relation to the Offering, under which they commit to subscribe for Offer Shares at the Subscription Price subject to certain provisions and subject to the condition that the value of the Company's existing Shares does not exceed approximately EUR 109 million. According to the terms and conditions of the subscription undertakings, the Cornerstone Investors are guaranteed the amounts of Offer Shares covered by the subscription undertakings.

The Cornerstone Investors have given the following subscription undertakings:

- Varma Mutual Pension Insurance Company EUR 5.0 million;
- Elo Mutual Pension Insurance Company EUR 5.0 million;
- Stephen Industries Inc Oy EUR 3.0 million; and
- UB Fund Management Company Ltd EUR 1.5 million.
- The Offer Shares represent preliminarily a maximum of approximately 21.2 percent of the Shares and votes vested by the Shares after the Offering assuming that the Over-allotment Option will not be exercised (approximately 22.8 percent assuming that the Over-allotment Option will be exercised in full), and assuming that the Company will issue 4,780,801 New Shares.
- The subscription period for the Offering will commence on November 21, 2022, at 10:00 a.m. (Finnish time). The subscription period for the Public Offering and Personnel Offering will end on or about November 28, 2022, at 4:00 p.m. (Finnish time). The subscription period for the Institutional Offering will end on or about November 30, 2022, at 11:00 a.m. (Finnish time).
- The Company's Board of Directors is entitled to extend the subscription periods of the Public, Institutional and Personnel Offerings.
- Trading of the Shares on the Official List of Nasdaq Helsinki is expected to commence on or about December 1, 2022.
- The Company, the Company's current largest shareholders, the members of the Board of Directors and the executive board of the Company as well as the employees participating in the Personnel Offering are expected to commit to customary lock-up arrangements.

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

*"We expect a growing demand for high-quality and innovative wood processing products, and our goal is to increase Koskisen's revenue to EUR 500 million during the next five years."*

*The share issue and the listing of Koskisen's shares supports extremely well the implementation of this growth strategy, including various transactions.*

*I would like to thank the cornerstone investors for their commitment to support Koskisen's share issue and our growth strategy!"*

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

*"The value of wood as an ecological material is increasingly understood and its popularity is growing in many different applications. We have a broad customer base, and demand and product prices often move differently in different industries. For example, plywood prices have increased sharply recently, as a result of, among other things, good demand in the logistics sector and the collapse of imports from Russia, while sawn timber prices have seen a decrease from a very high level.*

*We believe in the growing demand for wood processing products and that is why we are planning new investments. The net assets raised from the share issue are intended to be used for future growth-supporting investments, such as machinery and equipment investments, various transactions, and investments aimed at improving efficiency of operations.*

*We are now also inviting new shareholders to build the next decade's Koskisen with us!"*

**Background and Reasons for 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 the Shares. The Listing and increased liquidity would also make it possible to use the Shares more effectively as consideration in potential future acquisitions. Additional visibility is also expected to further increase Koskisen's recognition among the public and customers and as an employer.

**Use of Proceeds**

The Company aims to raise gross proceeds of approximately EUR 29.3 million by offering New Shares for subscription. The Company expects to use the net proceeds from the Offering to investments supporting Koskisen's growth strategy, including efficiency measures, capital expenditure for machinery and equipment and site infrastructure, potential future transactions, as well as for general corporate purposes.

**Information on the Offering**

The Company will issue preliminarily 4,780,801 New Shares in the Offering. The number of New Shares to be issued in the Offering would represent approximately a maximum 22.8 percent of the Shares after the Offering if all of the New Shares preliminarily offered in the Offering are subscribed for in full and assuming that the Over#allotment option will be exercised in full. The

maximum number of the New Shares represents approximately 29.6 percent of the Shares prior to the Offering. The Company's Board of Directors will, in consultation with the Global Coordinator, decide on the execution of the Offering, the final number of Offer Shares and the allocation of Offer Shares on or about November 30, 2022.

The Cornerstone Investors have given subscription undertakings in relation to the Offering, under which they commit to subscribe for Offer Shares at the Subscription Price subject to certain provisions and subject to the condition that the value of the Company's existing Shares does not exceed approximately EUR 109 million. According to the terms and conditions of the subscription undertakings, the Cornerstone Investors are guaranteed the amounts of Offer Shares covered by the subscription undertakings.

The Cornerstone Investors have given the following subscription undertakings:

- Varma Mutual Pension Insurance Company EUR 5.0 million;
- Elo Mutual Pension Insurance Company EUR 5.0 million;
- Stephen Industries Inc Oy EUR 3.0 million; and
- UB Fund Management Company Ltd EUR 1.5 million.

The Company is expected to grant to the Global Coordinator an over-allotment option, which would entitle Nordea acting as Stabilizing Manager to subscribe for a maximum of 478,080 Optional Shares at the Subscription Price solely to cover any over-allotments in connection with the Offering. The Over-allotment Option is exercisable within 30 days from the commencement of trading in the Shares on Nasdaq Helsinki (i.e., on or about the period between December 1, 2022, and December 30, 2022) The Stabilizing Manager and the Company are expected to agree on a Share issue and Share return arrangement related to stabilization in connection with the Offering. Pursuant to such arrangement, the Stabilizing Manager may subscribe for a number of Additional Shares equal to the maximum number of Optional Shares to cover any possible over-allotments in connection with the Offering. The Optional Shares represent approximately 2.7 percent of the Shares and votes vested by the Shares prior to the Offering and approximately 2.1 percent after the Offering assuming that the Company will issue 5,258,881 Offer Shares. However, the number of Optional Shares will not in any case represent more than 15 percent of the aggregate number of New Shares.

### **Preliminary Schedule**

- The Finnish language prospectus will be approved on or about November 18, 2022, and published on or about November 18, 2022, but at the latest before the commencement of the subscription period
- Subscription period of the Offering commences on November 21, 2022
- Subscription period of the Public Offering and the Personnel Offering ends on November 28, 2022
- Subscription period of the Institutional Offering ends on or about November 30, 2022
- Announcement of the final results of the Offering on or about December 1, 2022
- New Shares are registered in the book-entry accounts in the Public Offering and the Personnel Offering on or about December 1, 2022

- Trading in the Shares commences on the Official List of Nasdaq Helsinki on or about December 1, 2022
- The Offer Shares offered in the Institutional Offering are ready to be delivered against payment through Euroclear Finland Ltd on or about December 5, 2022

### **Listing Prospectus**

The Company has today submitted a Finnish language prospectus for approval by the Finnish Financial Supervisory Authority. The Finnish language prospectus is expected to be approved on November 18, 2022. The Finnish language prospectus and the Finnish language marketing brochure will be available on or about November 18, 2022, but at the latest before the commencement of the subscription period on Koskisen's website at [www.koskisen.fi/IPO](http://www.koskisen.fi/IPO). In addition, the Finnish language prospectus will be available on Nordea's website at [www.nordea.fi/koskisenIPO](http://www.nordea.fi/koskisenIPO) no earlier than on November 18, 2022.

The English language translation of the Finnish prospectus will be available on or about November 18, 2022, but at the latest before the commencement of the subscription period on Koskisen's website at [www.koskisen.fi/en/IPO](http://www.koskisen.fi/en/IPO). In addition, the English language translation of the Finnish prospectus will be available on Nordea's website at [www.nordea.fi/koskisenIPO-en](http://www.nordea.fi/koskisenIPO-en) no earlier than on November 18, 2022. Access to the Finnish language prospectus and English language translation is subject to restrictions for investors outside of Finland.

### **Advisors in the Offering**

Nordea Bank Abp is acting as 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. Miltton Ltd is acting as communications adviser to the Company.

### **Further Enquiries**

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### **Media Requests**

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### **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 external revenue for the year ended December 31, 2021) and Panel Industry (representing 39.6 percent of external revenue 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.

## 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.

**Attachments**

[Koskisen Corporation announces subscription price for its contemplated initial public offering](#)