



Montana BidCo Oy's Voluntary Public Cash Offer to the Shareholders in Nordic Lights Group Corporation

Montana BidCo Oy ("Montana" or the "Offeror") has offered to acquire through a voluntary public cash tender offer in accordance with Chapter 11, Section 27 of the Finnish Securities Markets Act (746/2012, as amended, the "Finnish Securities Markets Act") and subject to the terms and conditions of this tender offer document (the "Offer Document"), all of the issued and outstanding shares in Nordic Lights Group Corporation ("Nordic Lights" or the "Company") that are not held by Nordic Lights or any of its subsidiaries (the "Shares" or, individually, a "Share") (the "Offer").

The Offeror is a private limited liability company incorporated under the laws of Finland. As at the date of this Offer Document, the Offeror is indirectly wholly-owned by Methode Electronics, Inc. ("Methode"), a corporation incorporated and existing under the laws of the State of Delaware, the United States, with its shares listed on the New York Stock Exchange.

Nordic Lights is a public limited liability company incorporated under the laws of Finland with its shares admitted to trading on Nasdaq First North Growth Market Finland maintained by Nasdaq Helsinki Ltd ("Nasdaq First North").

The Offer was announced by the Offeror on February 28, 2023 (the "Offer Announcement") with an offer consideration of EUR 6.30 in cash for each Share validly tendered in the Offer (the "Offer Consideration").

The offer period of the Offer will commence on March 15, 2023 at 9:30 a.m. (Finnish time) and expire on April 14, 2023 at 4:00 p.m. (Finnish time) (the "Offer Period"), unless the Offer Period is extended or any extension of the Offer Period is discontinued. For details, please see "Terms and Conditions of the Offer".

Certain shareholders of Nordic Lights, who in aggregate own approximately 56.5 percent of all the Shares and votes in Nordic Lights, have irrevocably undertaken to accept the Offer subject to certain customary conditions. In addition, certain shareholders who in aggregate own approximately 4.3 percent of the shares and votes in Nordic Lights, have expressed that they view the Offer positively. See "Background and Objectives – Support by Certain Major Shareholders in Nordic Lights".

On February 28, 2023, Methode and Nordic Lights entered into a combination agreement (the "Combination Agreement"), pursuant to which Methode has transferred its rights and obligations to the Offeror (in accordance with its terms). The Board of Directors of Nordic Lights, represented by a quorum comprising the disinterested members of the Board of Directors, has unanimously decided to recommend in its statement issued pursuant to the Helsinki Takeover Code (as defined below) that the shareholders of Nordic Lights accept the Offer (the "Recommendation"). The Recommendation is supported by a fairness opinion from Skandinaviska Enskilda Bank AB (publ), Helsinki Branch ("SEB"), according to which, on the date of such opinion the Offer was fair to Nordic Lights' shareholders from a financial point of view.

The completion of the Offer is subject to the satisfaction of the conditions described under Section "Terms and Conditions of the Offer – Conditions to Completion of the Offer" of this Offer Document. The Offeror reserves the right to waive any of the conditions to completion of the Offer or to withdraw the Offer as described under "Terms and Conditions of the Offer". If the Offeror, as a result of the completion of the Offer or otherwise, acquires Shares representing more than ninety (90) percent of all the Shares and votes in Nordic Lights, the Offeror will as soon as reasonably practicable initiate compulsory redemption proceedings for all the remaining Shares in accordance with Chapter 18 of the Finnish Companies Act (624/2006, as amended, the "Finnish Companies Act").

The information on this front page should be read in conjunction with, and is qualified in its entirety by, the more detailed information in this Offer Document, in particular under Section "Terms and Conditions of the Offer".

THE OFFER IS NOT BEING MADE DIRECTLY OR INDIRECTLY IN ANY JURISDICTION WHERE PROHIBITED BY APPLICABLE LAW AND THIS OFFER DOCUMENT AND RELATED ACCEPTANCE FORMS ARE NOT AND MAY NOT BE DISTRIBUTED, FORWARDED OR TRANSMITTED INTO OR FROM ANY JURISDICTION WHERE PROHIBITED BY APPLICABLE LAW BY ANY MEANS WHATSOEVER INCLUDING, WITHOUT LIMITATION, MAIL, FACSIMILE TRANSMISSION, E-MAIL OR TELEPHONE. IN PARTICULAR, THE OFFER IS NOT MADE IN AND THIS OFFER DOCUMENT MUST UNDER NO CIRCUMSTANCES BE DISTRIBUTED INTO AUSTRALIA, CANADA, THE HONG KONG SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE'S REPUBLIC OF CHINA ("HONG KONG"), JAPAN, NEW ZEALAND, SOUTH AFRICA OR SWITZERLAND OR ANY OTHER JURISDICTION WHERE PROHIBITED BY APPLICABLE LAW.

Exclusive Financial Adviser to the Offeror

MOELIS & COMPANY

Arranger of the Offer



RESTRICTIONS AND IMPORTANT INFORMATION

This Offer Document has been prepared in compliance with Finnish law, including the Finnish Securities Markets Act, the Decree of the Finnish Ministry of Finance on the Contents and Publication as well as Exceptions Granted from the Contents of a Tender Offer Document and the Mutual Recognition of a Tender Offer Document Approved in the European Economic Area (1022/2012) and the regulations and guidelines 9/2013 of the Finnish Financial Supervisory Authority (the “**FIN-FSA**”) on Takeover Bids and Mandatory Bids (FIVA 10/01.00/2013). This Offer Document and the Offer are governed by Finnish law and any disputes arising out of or in connection with this Offer Document and/or the Offer will be exclusively settled by a court of competent jurisdiction in Finland.

The Offeror has undertaken to follow the Helsinki Takeover Code issued by the Finnish Securities Market Association (the “**Helsinki Takeover Code**”) as referred to in Chapter 11, Section 28 of the Finnish Securities Markets Act. According to the statement by the Board of Directors of Nordic Lights, issued on March 9, 2023 and attached as Annex C to this Offer Document, Nordic Lights has also undertaken to follow the Helsinki Takeover Code.

The Offer Document has not been reviewed or approved by the FIN-FSA in accordance with the regulations in the Finnish Securities Markets Act. This is an English language translation of the Finnish language Offer Document. In the event of any discrepancy between the two language versions of this Offer Document, the Finnish language version will prevail.

The Offeror and Methode reserve the right to acquire, or enter into arrangements to acquire, Shares before, during and/or after the Offer Period (including any extension thereof) outside the Offer in public trading on Nasdaq First North or otherwise.

The Offer is not being made, and the Shares will not be accepted for purchase from or on behalf of persons, directly or indirectly, in any jurisdiction in which the making or acceptance thereof would not be in compliance with applicable laws or regulations of such jurisdiction or would require any registration, approval or other measures with any regulatory authority not expressly contemplated by this Offer Document. Persons obtaining and/or into whose possession this Offer Document comes are required to take due note and observe all such restrictions and obtain any necessary authorisations, approvals or consents. Neither the Offeror nor Methode or any of their respective advisers accepts any liability for any violation by any person of any such restriction. Any person (including, without limitation, custodians, nominees and trustees) who intends to forward this Offer Document or any related document to any jurisdiction outside Finland should carefully read this section “*Restrictions and Important Information*” before taking any action. The distribution of this Offer Document in jurisdictions other than Finland may be restricted by law and, therefore, persons into whose possession this Offer Document comes should inform themselves about and observe such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

The Offer is not being made, directly or indirectly, in or into Australia, Canada, Hong Kong, Japan, New Zealand, South Africa or Switzerland and this Offer Document and any and all materials related thereto should not be sent in or into Australia, Canada, Hong Kong, Japan, New Zealand, South Africa or Switzerland (including by use of, or by any means or instrumentality, for example, e-mail, post, facsimile transmission, telephone or internet, of interstate or foreign commerce, or any facilities of a national securities exchange), and the Offer cannot be accepted directly or indirectly or by any such use, means or instrumentality, in or from within Australia, Canada, Hong Kong, Japan, New Zealand, South Africa or Switzerland. Accordingly, copies of this Offer Document and any related materials are not being, and must not be, mailed, forwarded, transmitted or otherwise distributed or sent in or into or from Australia, Canada, Hong Kong, Japan, New Zealand, South Africa or Switzerland or, in their capacities as such, to custodians, trustees, agents or nominees holding Shares for Australian, Canadian, Hong Kong, Japanese, New Zealander, South African or Swiss persons, and persons receiving any such documents (including custodians, nominees and trustees) must not distribute, forward, mail, transmit or send them in, into or from Australia, Canada, Hong Kong, Japan, New Zealand, South Africa or Switzerland. Any person accepting the Offer shall be deemed to represent to the Offeror such person’s compliance with these restrictions and any purported acceptance of the Offer that is a direct or indirect consequence of a breach or violation of these restrictions shall be null and void. Shareholders wishing to accept the Offer must not use the mailing system of Australia, Canada, Hong Kong, Japan, New Zealand, South Africa or Switzerland for any purpose directly or indirectly related to acceptance of the Offer. Envelopes containing acceptances must not be post marked in Australia, Canada, Hong Kong, Japan, New Zealand, South Africa or Switzerland. When completing the acceptance, shareholders wishing to accept the Offer must provide an address that is not located in Australia, Canada, Hong Kong, Japan, New Zealand, South Africa or Switzerland. Shareholders will be deemed to have declined the Offer if they (i) submit an envelope postmarked in Australia, Canada, Hong Kong, Japan, New Zealand, South Africa or Switzerland or (ii) provide an address located in Australia, Canada, Hong Kong, Japan, New Zealand, South Africa or Switzerland. Shareholders will be deemed to have declined the Offer if they do not make the representations and warranties set out in the acceptance.

All financial and other information presented in this Offer Document concerning the Company has been extracted from, and has been prepared exclusively based upon, publicly available information including the audited financial statements as at and for the year ended December 31, 2022, other company releases published by the Company, entries in the Finnish trade register, and other publicly available information. Consequently, the Offeror does not accept any responsibility for such information except for the accurate restatement of such information herein.

Other than to the extent required by mandatory law, this Offer Document will not be supplemented or updated with any financial information or other company announcements published by Nordic Lights after the date of this Offer Document nor will the Offeror otherwise separately inform any person about the publication of any such financial information or other company releases by Nordic Lights.

Moelis & Company LLC is a US broker-dealer registered under the US Securities Exchange Act of 1934 and regulated by the U.S. Securities and Exchange Commission. Moelis & Company LLC is acting as exclusive financial adviser to the Offeror and no one else in connection with the Offer or the matters referred to in this document, will not regard any other person (whether or not a recipient of this document) as its client in relation to the Offer and will not be responsible to anyone other than the Offeror for providing the protections afforded to its clients or for providing advice in relation to the Offer or any other transaction or arrangement referred to in this document. Neither Moelis & Company LLC, nor any of its affiliates nor any of its or its affiliates' respective directors, officers, representatives, employees, advisers or agents shall have any duty, liability or responsibility whatsoever to any other person (including, without limitation, any recipient) in connection with the Offer or any statement contained in this document.

Danske Bank A/S is authorized under Danish banking law. It is subject to supervision by the Danish Financial Supervisory Authority. Danske Bank A/S is a private, limited liability company incorporated in Denmark with its head office in Copenhagen where it is registered in the Danish Commercial Register under number 61126228.

Danske Bank A/S (acting via its Finland Branch) is acting as a financial adviser to the Offeror and no other person in connection with these materials or their contents. Danske Bank A/S will not be responsible to any person other than the Offeror for providing any of the protections afforded to clients of Danske Bank A/S, nor for providing any advice in relation to any matter referred to in these materials. Without limiting a person's liability for fraud, Danske Bank A/S, nor any of its affiliates nor any of its respective directors, officers, representatives, employees, advisers or agents shall have any liability to any other person (including, without limitation, any recipient) in connection with the Offer.

Skandinaviska Enskilda Banken AB (publ) Helsinki Branch, is acting exclusively as the financial adviser for the Company and no one else in connection with the Offer or the matters referred to in this document, will not regard any other person (whether or not a recipient of this document) than the Company as its client in relation to the Offer and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for providing advice in relation to the Offer or any other transaction or arrangement referred to in this document.

Information for Shareholders in the United States

Shareholders of Nordic Lights in the United States are advised that the shares in Nordic Lights are not listed on a U.S. securities exchange.

The Offer is made for the issued and outstanding shares (which are not held in treasury) of Nordic Lights, which is domiciled in Finland, and is subject to Finnish disclosure and procedural requirements. The Offer is made in the United States pursuant to Section 14(e) and Regulation 14E under the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), subject to the exemption provided under Rule 14d-1(c) under the Exchange Act for a Tier I tender offer (the "**Tier I Exemption**"), and otherwise in accordance with the disclosure and procedural requirements of Finnish law, including with respect to the Offer timetable, settlement procedures, withdrawal, waiver of conditions and timing of payments, which are different from those of the United States. In particular, the financial information included in this Offer Document has been prepared in accordance with applicable accounting standards in Finland, which may not be comparable to the financial statements or financial information of U.S. companies. The Offer is made to Nordic Lights' shareholders resident in the United States on the same terms and conditions as those made to all other shareholders of Nordic Lights to whom an offer is made. Any informational documents, including this Offer Document, are being disseminated to U.S. shareholders on a basis comparable to the method that such documents are provided to Nordic Lights' other shareholders. U.S. shareholders should consider that the Offer Consideration for the Offer is being paid in EUR and that no adjustment will be made based on any changes in the exchange rate.

To the extent permissible under applicable law or regulations, the Offeror and its affiliates or its brokers and its brokers' affiliates (acting as agents for the Offeror or its affiliates, as applicable) may from time to time after the date of this Offer Document and during the pendency of the Offer, and other than pursuant to the Offer, directly or indirectly purchase or

arrange to purchase Shares or any securities that are convertible into, exchangeable for or exercisable for Shares. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. To the extent information about such purchases or arrangements to purchase is made public in Finland, such information will be disclosed by means of a press release or other means reasonably calculated to inform U.S. shareholders of Nordic Lights of such information. In addition, the financial advisers to the Offeror may also engage in ordinary course trading activities in securities of Nordic Lights, which may include purchases or arrangements to purchase such securities. To the extent required in Finland, any information about such purchases will be made public in Finland in the manner required by Finnish law.

NEITHER THE U.S. SECURITIES AND EXCHANGE COMMISSION NOR ANY U.S. STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THE OFFER, PASSED ANY COMMENTS UPON THE MERITS OR FAIRNESS OF THE OFFER, PASSED ANY COMMENT UPON THE ADEQUACY OR COMPLETENESS OF THIS OFFER DOCUMENT OR PASSED ANY COMMENT ON WHETHER THE CONTENT IN THIS OFFER DOCUMENT IS CORRECT OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

The receipt of cash pursuant to the Offer may be a taxable transaction. Each holder of Shares is urged to consult its independent professional advisers regarding the tax and other consequences of accepting the Offer.

To the extent the Offer is subject to U.S. securities laws, those laws only apply to U.S. holders of Shares and will not give rise to claims on the part of any other person. It may be difficult for Nordic Lights' shareholders to enforce their rights and any claims they may have arising under the U.S. federal securities laws, since the Offeror and Nordic Lights are located in a non-U.S. jurisdiction and some or all of their respective officers and directors may be residents of non-U.S. jurisdictions. Nordic Lights shareholders may not be able to sue the Offeror or Nordic Lights or their respective officers or directors in a non-U.S. court for violations of the U.S. federal securities laws. It may be difficult to compel the Offeror or Nordic Lights or their respective affiliates to subject themselves to a U.S. court's judgment.

Availability of Documents

This English language translation of the Offer Document will be available on the internet at www.danskebank.com/nordiclights-offer-en and <https://investors.nordiclights.com/en/tenderoffer/> as of March 14, 2023. The Finnish language Offer Document will be available on the internet at <https://investors.nordiclights.com/ostotarjous/> and www.danskebank.com/nordiclights-offer and <https://investors.nordiclights.com/ostotarjous/> as of March 14, 2023.

Forward-looking Statements

This Offer Document contains statements that, to the extent they are not historical facts, constitute "forward-looking statements". Forward-looking statements include statements concerning plans, expectations, projections, objectives, targets, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, competitive strengths and weaknesses, plans or goals relating to financial position, future operations and development, business strategy and the trends in the industries and the political and legal environment and other information that is not historical information. In some instances, they can be identified by the use of forward-looking terminology, including the terms "believes", "intends", "may", "will" or "should" or, in each case, their negative or variations on comparable terminology. By their very nature, forward-looking statements involve inherent risks, uncertainties and assumptions, both general and specific, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved. Given these risks, uncertainties and assumptions, investors are cautioned not to place undue reliance on such forward-looking statements. Any forward-looking statements contained herein speak only as at the date of the Offer Document.

Certain Key Dates

The following timetable sets forth certain expected key dates relating to the Offer, provided that the Offer Period has not been extended or discontinued in accordance with, and subject to, the terms and conditions of the Offer and applicable laws and regulations:

Announcement of the Offer	February 28, 2023
Offer Period	March 15, 2023 – April 14, 2023
Announcement of the preliminary result of the Offer	On or about April 17, 2023
Announcement of the final result of the Offer	On or about April 19, 2023
Payment of the Offer Consideration	On or about April 20, 2023

The Offer is currently expected to be completed during the second quarter of 2023. In case any necessary regulatory approvals, permits, clearances and consents have not been obtained by the end of the initial Offer Period, the Offeror may extend the Offer Period in order to receive the necessary regulatory approvals. The Offeror will announce, by way of company releases, any possible extension of the Offer Period as soon as practically possible as well as any other information required to be announced in accordance with applicable laws and regulations. The Offeror is currently not aware that any regulatory approvals, permits, clearances or consents would be required for the completion of the Offer pursuant to its terms and conditions.

For further information, please see sections “*Background and Objectives –Approvals from Authorities*”, “*Terms and Conditions of the Offer – Offer Period*” and “*Terms and Conditions of the Offer – Conditions to Completion of the Offer*”.

PARTIES RESPONSIBLE FOR THE OFFER DOCUMENT

The Offeror

Montana BidCo Oy

Address: c/o Hannes Snellman Attorneys Ltd, Eteläesplanadi 20
00131 Helsinki, Finland
Domicile: Helsinki, Finland

The Board of Directors of the Offeror

Duda Donald W.
Farrugia Philip
Tsoumas Ronald

This Offer Document has been prepared by the Offeror pursuant to Chapter 11, Section 27 of the Finnish Securities Markets Act.

The persons responsible for the Offer Document represent that to their best understanding the information contained in this Offer Document is in accordance with the facts and contains no omission likely to affect the assessment of the Offer.

All information concerning Nordic Lights presented in this Offer Document has been extracted from, and has been prepared exclusively based upon, publicly available information. The Offeror confirms that this information has been accurately reproduced and that as far as the Offeror is aware and is able to ascertain from information published by Nordic Lights, no facts have been omitted which would render the reproduced information incorrect or misleading.

March 14, 2023

Montana BidCo Oy

ADVISERS TO THE OFFEROR

Exclusive Financial Adviser to the Offeror in connection with the Offer

Moelis & Company LLC
399 Park Avenue, 4th Floor
New York, NY 10022
The United States

Arranger of the Offer

Danske Bank A/S, Finland Branch
Televisiokatu 1
FI-00240 Helsinki
Finland

Legal Advisers to the Offeror and Methode in connection with the Offer

As to Finnish law:

Hannes Snellman Attorneys Ltd
Eteläesplanadi 20
FI-00130 Helsinki
Finland

As U.S. legal adviser:

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, NY 10019
The United States

ADVISERS TO NORDIC LIGHTS

Financial Adviser to Nordic Lights in connection with the Offer

Skandinaviska Enskilda Banken AB (publ), Helsinki Branch
Eteläesplanadi 18
FI-00130 Helsinki
Finland

Legal Adviser to Nordic Lights in connection with the Offer

Roschier, Attorneys Ltd.
Kasarmikatu 21 A
FI-00130 Helsinki
Finland

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BACKGROUND AND OBJECTIVES

Background to the Offer and Offeror's Strategic Plans

Methode has great admiration for Nordic Lights and is impressed with the Company's global market position, strategic customer relationships and differentiated product offering. Methode considers Nordic Lights to be highly complementary to its existing LED lighting solutions and believes it would be an ideal partner to support the continued growth of the Company while creating value through complementary product and manufacturing characteristics.

Methode would add greater scale to Nordic Lights' business and reduce its reliance on the construction and mining markets. Leveraging the Methode brand, Nordic Lights would be able to cross-sell its products to the broader Methode customer base. Methode's auto and commercial vehicle credentials and capabilities can help Nordic Lights accelerate its driving lights business. Further, Methode can help Nordic Lights secure certificates for equipment used in explosive atmospheres (Ex) that will expand the market for its products.

Methode is enthusiastic about the prospect of partnering with the current management team to help grow and strengthen the Company's business.

On February 28, 2023, Methode and Nordic Lights entered into a Combination Agreement under which the Offeror is committed to make the Offer and pursuant to which Methode has transferred its rights and obligations to the Offeror (in accordance with its terms). The principal terms and conditions of the Combination Agreement have been described in "*Summary of the Combination Agreement*" below.

After reviewing the Offer and its terms and conditions, as well as other available information, the Board of Directors of Nordic Lights, represented by a quorum comprising the disinterested members of the Board of Directors, has unanimously decided to recommend that the shareholders of Nordic Lights accept the Offer (see "*Statement by the Board of Directors of Nordic Lights*" and Annex C below). The Board of Directors of Nordic Lights received an opinion, dated February 27, 2023, from SEB to the effect that, on the date of such opinion, the Offer Consideration to be paid pursuant to the Offer, was fair from a financial point of view. The complete opinion is attached to the statement of the Board of Directors of Nordic Lights.

Methode has obtained irrevocable undertakings subject to certain customary conditions to accept the Offer from shareholders in Nordic Lights who in aggregate own approximately 56.5 percent of all the Shares and votes. In addition, certain shareholders of who in aggregate own approximately 4.3 percent of the Shares and votes, have expressed that they view the Offer positively. For further information see section "*Support by Certain Major Shareholders in Nordic Lights*" below.

Effects on the Operations and Assets of Nordic Lights and on its Management and Employees

The completion of the Offer is not expected to have any immediate material effects on the operations, the assets, the position of management or employees, or the location of the offices of Nordic Lights. However, as is customary, the Offeror intends to change the composition of the Board of Directors of Nordic Lights after the completion of the Offer.

See also "*Financing of the Offer*" and "*Offeror's Future Plans in Respect of the Shares – Redemption under the Finnish Companies Act*" below.

Effects on the Operations and Assets of the Offeror and on its Management and Employees

Other than as a result of the payment of the Offer Consideration, the completion of the Offer is not expected to have any immediate material effects on the operations or assets of the Offeror or Methode, the position of the Offeror's or Methode's management or employees or the location of their offices.

Compliance with the Recommendation Referred to in Chapter 11, Section 28 of the Finnish Securities Markets Act

Methode, the Offeror and Nordic Lights have undertaken to comply with the Helsinki Takeover Code.

Remuneration and Other Benefits Paid to the Management of Nordic Lights on the Basis of the Completion of the Offer

The Offeror has not entered into any agreements regarding any remuneration, compensation or other benefits granted to the management or the members of the Board of Directors of Nordic Lights payable in return for the execution of the Combination Agreement and/or for the completion of the Offer.

Share-based Long-term Incentive Plans of Nordic Lights

As at the date of this Offer Document, Nordic Lights does not have any share-based long-term incentive plans.

Financing of the Offer

The Offer is fully financed by a combination of cash funds available within the Methode group and debt financing provided by Methode's available credit facilities. The funds required for the financing of the Offer are available to Montana on a certain funds basis under a funding commitment from Methode, to fully finance the Offer at completion and compulsory redemption proceedings, if any. The completion of the Offer is not subject to any financing condition.

Offeror's Future Plans in Respect of the Shares

Purpose of the Offer

The Offeror's intention is to acquire all the Shares and to apply for the Shares to be delisted from Nasdaq First North as soon as permitted and reasonably practicable under the applicable laws and regulations and the rules of Nasdaq First North.

Obligation to Make a Mandatory Tender Offer

According to Section 11 of the Articles of Association of Nordic Lights (the "**Articles of Association**"), a shareholder holding more than fifty (50) percent of the voting rights attached to the Company's shares registered in the Trade Register after the shares have been admitted to public trading on a market, including the Nasdaq First North, is obligated to make a public tender offer (mandatory tender offer) for all the remaining shares and securities issued by the company entitling to shares in the company. However, under the Articles of Association, by reference to the Finnish Securities Markets Act, if the relevant threshold has been exceeded by means of a voluntary public tender offer, the voluntary public tender offer is not required to be followed by a mandatory tender offer provided that the initial voluntary public tender offer has been made for all shares and other securities entitling to shares in the target company. Pursuant to the aforementioned exemption, the Offeror will not have an obligation to launch a subsequent mandatory offer after the completion of the Offer.

Redemption under the Finnish Companies Act

According to Chapter 18, Section 1 of the Finnish Companies Act, a shareholder holding more than nine-tenths (9/10) of the total number of shares and voting rights in a limited liability company has the right to acquire and, subject to a demand by other shareholders, is also obligated to redeem the shares owned by the other shareholders in the company at a fair price.

If the Offeror, as a result of the completion of the Offer or otherwise, acquires Shares representing more than ninety (90) percent of all the Shares and votes in Nordic Lights, calculated in accordance with Chapter 18, Section 1 of the Finnish Companies Act, the Offeror will as soon as reasonably practicable initiate compulsory redemption proceedings for all the remaining Shares in accordance with the Finnish Companies Act. The compulsory redemption procedure is set forth in more detail in the Finnish Companies Act. Since the Offer Consideration is subject to a euro-for-euro reduction for any distribution or declaration of dividends, the Offeror intends to request for the redemption price to be similarly reduced if any distribution is paid to the shareholders of Nordic Lights prior to the Offeror acquiring the remaining Shares in the compulsory redemption proceedings.

Pursuant to the Finnish Companies Act, a shareholder that holds more than half (1/2) of the shares and voting rights carried by the shares present in a company's general meeting has sufficient voting rights to decide on the appointment of board members and distribution of dividends, and a shareholder that holds more than two-thirds (2/3) of the shares and voting rights carried by the shares present in a company's general meeting has sufficient voting rights to decide upon the merger of a company into another company. Should the Offeror elect to amend or waive the condition to completion of the Offer that requires the reaching of shareholding of more than ninety (90) percent of the Shares and voting rights

carried by the Shares and then complete the Offer, and should the Offeror's shareholding in Nordic Lights be less than ninety (90) percent of the Shares and voting rights carried by the Shares, it is still possible that Nordic Lights could in any event be subject to certain corporate measures and transactions, including for example a merger into another company, the issuance of shares in the Company by way of derogation from the shareholders' pre-emptive subscription rights, a change of domicile to a jurisdiction that allows more flexibility, or amendments to the Company's Articles of Association. However, the Offeror has not taken any resolutions regarding any such measures or transactions. Additionally, as set out in the Combination Agreement, the Offeror and Nordic Lights have agreed that as soon as the Offeror has announced the Offer unconditional and publicly confirmed that it will complete the Offer, the Board of Directors of the Company will, at the Offeror's request, within three (3) business days from receiving said request, resolve to convene an extraordinary general meeting of shareholders of the Company for the purpose of electing new members of the Board of Directors of the Company and addressing other agenda items proposed by the Offeror, if any. The extraordinary general meeting shall be held on the date specified by the Offeror, at its sole discretion, noting the timing of the completion of the Offer and the requirement that the Offeror be entered into the shareholders' register of the Company on the record date of the extraordinary general meeting. For more information on an amendment to or a waiver of the conditions to completion of the Offer, see *"Summary of the Combination Agreement – Conditions to Completion"* and *"Terms and Conditions of the Offer – Conditions to Completion of the Offer"*.

Statement by the Board of Directors of Nordic Lights

The Board of Directors of Nordic Lights, represented by a quorum comprising the disinterested members of the Board of Directors, has unanimously decided to recommend that the shareholders of Nordic Lights accept the Offer.

The Board of Directors of Nordic Lights has received an opinion regarding the Offer from Nordic Lights' exclusive financial adviser, SEB. The opinion dated February 27, 2023 states that the consideration to be received in the Offer by shareholders of Nordic Lights, on the date of such opinion, was fair, from a financial point of view, to such shareholders.

After having obtained the opinion from SEB and having carefully evaluated the terms and conditions from the point of view of Nordic Lights and its shareholders and other available information, the Board of Directors of Nordic Lights issued a statement on March 9, 2023 to the effect that, under the circumstances prevailing at the time the statement was issued, the Offer and the consideration offered by the Offeror in the Offer is fair to the shareholders of Nordic Lights. Accordingly, the Board of Directors of Nordic Lights, represented by a quorum comprising the disinterested members, has unanimously decided to recommend the shareholders of Nordic Lights to accept the Offer.

Thomas Sandvall and Sami Heikkilä have not participated in any review of the implications of the Offer by the Board of Directors or in any decision-making concerning the recommendation of the Board of Directors or the Combination Agreement. Thomas Sandvall and Sami Heikkilä are both employed at Sponsor Capital Oy, which indirectly controls Sponsor Fund IV Ky. Sponsor Fund IV Ky and individual partners at Sponsor Capital Oy and at its affiliate have unconditionally and irrevocably undertaken to accept the Offer as set out below.

The statement by the Board of Directors of Nordic Lights in accordance with the Helsinki Takeover Code is attached to this Offer Document as Annex C. The complete opinion of SEB is attached to the statement of the Board of Directors of Nordic Lights.

Support by Certain Major Shareholders in Nordic Lights

Methode has obtained irrevocable undertakings to accept the Offer from shareholders in Nordic Lights who in aggregate hold approximately 56.5 percent of all the Shares and votes. Sponsor Fund IV Ky and individual partners at Sponsor Capital Oy and at its affiliate, who in aggregate hold approximately 39.2 percent of the Shares and votes, have unconditionally and irrevocably undertaken to accept the Offer. Elo Mutual Pension Insurance Company and Oy Purmo Autic Ab, who in aggregate hold approximately 17.3 percent of the Shares and votes, have irrevocably undertaken to accept the Offer subject to certain customary conditions. The undertakings given by Elo Mutual Pension Insurance Company and Oy Purmo Autic Ab are, among other terms, subject to the condition that the Offeror does not announce that it will no longer pursue or complete (or that it will cancel) the Offer, and that no other party announces a competing offer to acquire the shares in Nordic Lights for a consideration of at least EUR 6.93 per share where Montana or Methode does not within seven (7) business days match or exceed the competing offer by increasing the Offer Consideration.

In addition, Varma Mutual Pension Insurance Company (approximately 1.9 percent of the Shares and votes) and Thomasset Oy (approximately 2.4 percent of the Shares and votes), who in aggregate hold approximately 4.3 percent of the Shares and votes, have expressed that they view the Offer positively.

Approvals from Authorities

The Offeror will, as soon as reasonably practicable, make all material and customary submissions, notifications and filings required to obtain all necessary regulatory, governmental or similar approvals, permits, clearances and consents from authorities or similar, required under applicable laws in any jurisdiction for the completion of the Offer.

The Offeror will use its reasonable best efforts to obtain such regulatory approvals. If any of these regulatory approvals have not been obtained prior to the expiry of the offer period, the Offeror may extend the offer period in accordance with, and subject to, the terms and conditions of the Offer and applicable laws and regulations, in order to satisfy the Conditions to Completion.

As at the date of this Offer Document, the Offeror is not aware of any regulatory or governmental approvals that would be required for the consummation of the Offer.

Fees to Advisers

The Offeror has appointed Moelis & Company LLC as exclusive financial adviser, Danske Bank A/S, Finland Branch as arranger and Hannes Snellman Attorneys Ltd, and Wachtell, Lipton, Rosen & Katz as legal advisers in connection with the Offer. The Offeror expects that the total fees payable to its advisers in connection with the Offer that are dependent on the completion of the Offer will be approximately EUR 2.25 million.

Governing Law

The Offer and this Offer Document are governed by the laws of Finland and any dispute arising out of or in connection with them will be settled by a court of competent jurisdiction in Finland.

INFORMATION ON THE PRICING OF THE OFFER

Grounds for Determining the Offer Consideration

The Offer was announced by the Offeror on February 28, 2023 with the Offer Consideration of EUR 6.30 in cash for each Share validly tendered in the Offer, subject to certain adjustments as described below.

The Offer Consideration has been determined based on 20,957,962 Shares. Should the Company increase the number of its issued and outstanding shares as a result of any measure with a dilutive effect, or should the Company distribute a dividend or in any other way distribute or transfer value to its shareholders, or if a record date with respect to any of the foregoing occurs prior to any settlement of the Offer (with the effect that any resulting distribution of funds is not payable to the Offeror), then the Offer Consideration payable by the Offeror shall be reduced accordingly on a euro-for-euro basis as set out in section “*Terms and Conditions of the Offer – Offer Consideration*”.

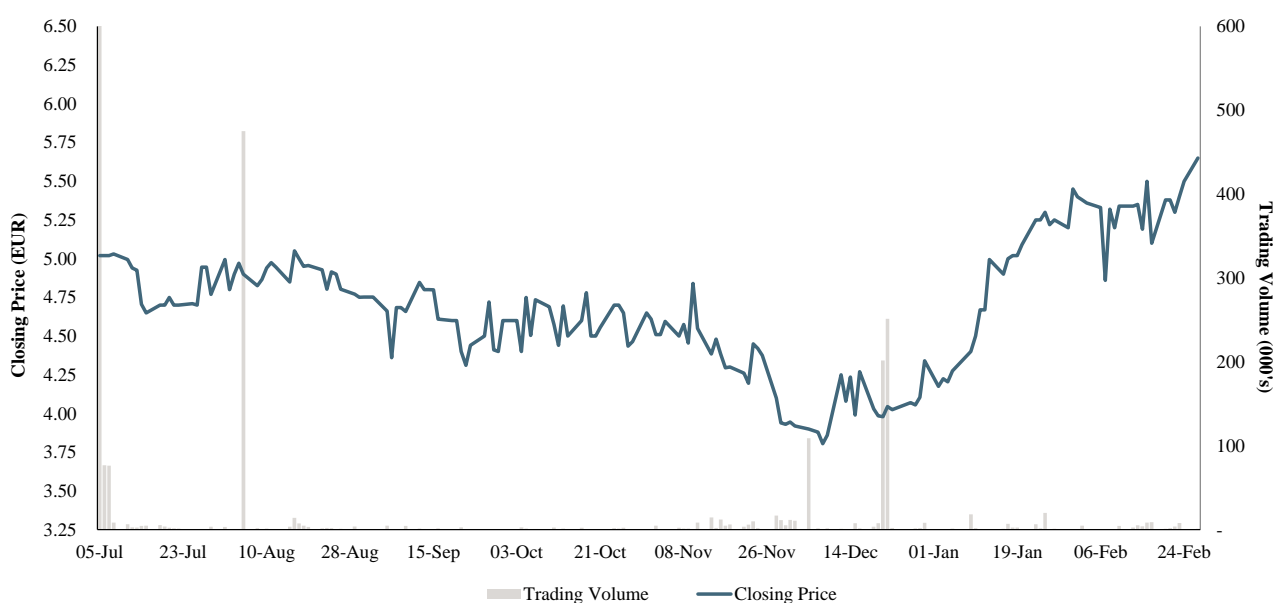
According to Chapter 11, Section 24 of the Finnish Securities Markets Act, the starting point in determining the consideration to be offered in a voluntary tender offer for all shares and other securities entitling their holder to shares in the target company must be the highest price paid for the securities subject to the tender offer by the offeror or by a person related to the offeror in the manner referred to in Chapter 11, Section 5 of the Finnish Securities Markets Act within a period of six (6) months preceding the announcement of the tender offer.

Neither the Offeror nor any party related to the Offeror in the manner referred to in Chapter 11, Section 5 of the Finnish Securities Markets Act has during the period of six (6) months preceding the Offer Announcement purchased any Shares in Nordic Lights in public trading or otherwise and neither the Offeror nor any party related to the Offeror in the manner referred to in Chapter 11, Section 5 of the Finnish Securities Markets Act has purchased any Shares within the six (6) months preceding the Offer Announcement at a price that would exceed the Offer Consideration.

Trading Prices and Volumes of the Shares

The shares of Nordic Lights are listed on Nasdaq First North under the trading code “NORDLIG”. The ISIN code of the shares of Nordic Lights is FI4000518345.

The following graph sets forth the price development and trading volume of the shares of Nordic Lights on Nasdaq First North for the period from the initial public offering and listing on Nasdaq First North up until the Offer Announcement (*i.e.*, from July 5, 2022 to February 27, 2023):



The following table sets forth quarterly information on the trading volumes and trading prices of the shares of Nordic Lights on Nasdaq First North for the periods indicated:

Time Period	Closing Price During the Period (EUR)			Trading Volumes During the Period	
	Average	High	Low	Shares	EUR
01-Feb-23 to 27-Feb-23	5.33	5.65	4.86	55,588	299,885
01-Jan-23 to 31-Jan-23	4.86	5.45	4.18	65,787	322,331
01-Dec-22 to 31-Dec-22	4.04	4.34	3.81	623,507	2,481,742
01-Nov-22 to 30-Nov-22	4.39	4.84	3.93	113,213	483,383
01-Oct-22 to 31-Oct-22	4.59	4.78	4.40	19,557	89,413
01-Sep-22 to 30-Sep-22	4.61	4.85	4.31	19,357	89,337
01-Aug-22 to 31-Aug-22	4.89	5.05	4.75	528,158	2,650,278
05-Jul-22 to 31-Jul-22	4.84	5.03	4.65	3,577,807	17,953,669

Offer Consideration

The Offer Consideration represents a premium of:

- (i) approximately 13.4 percent compared to the average price of EUR 5.56 for Nordic Lights' share on Nasdaq First North on February 27, 2023, being the last day of trading before the announcement of the Offer;
- (ii) approximately 58.1 percent compared to the closing price of EUR 3.99 for Nordic Lights' share on Nasdaq First North on December 20, 2022, i.e. the last day of trading prior to Methode submitting its non-binding proposal to Nordic Lights;
- (iii) approximately 51.5 percent compared to the volume-weighted average trading price of EUR 4.16 for Nordic Lights' share on Nasdaq First North during the last three months before the announcement of the Offer; and
- (iv) approximately 25.5 percent compared to the subscription price of EUR 5.02 for Nordic Lights' share in the initial public offering of Nordic Lights in connection with its listing to Nasdaq First North on July 5, 2022.

Other Public Tender Offers Regarding the Shares

To the knowledge of the Offeror, no public tender offer for the Shares or any securities entitling to Shares has been made by any third party during the 12 months preceding the date of this Offer Document.

SUMMARY OF THE COMBINATION AGREEMENT

This summary is not an exhaustive presentation of all of the terms and conditions of the Combination Agreement. The summary aims at describing the terms and conditions of the Combination Agreement to the extent that such terms and conditions may materially affect the assessment of the shareholders of the Company of the terms and conditions of the Offer.

Background to the Combination Agreement

On February 28, 2023, Methode and the Company entered into the Combination Agreement pursuant to which the Offeror makes the Offer and under which Methode has transferred its rights and obligations to the Offeror in accordance with the terms of the Combination Agreement (the Offeror and Nordic Lights hereafter each individually a “**Party**” and together “**Parties**”).

Should the Offeror obtain more than ninety (90) percent of the Shares and voting rights carried by the Shares in Nordic Lights, as calculated in accordance with Chapter 18, Section 1 of the Finnish Companies Act, the Offeror will initiate compulsory redemption proceedings in accordance with the Finnish Companies Act and cause the shares of the Company to be de-listed from Nasdaq First North as soon as permitted and reasonably practicable.

The background to the transaction contemplated under the Combination Agreement has been described in “*Background and Objectives*”.

Offer Period and Offer Consideration

Under the Combination Agreement, the initial expiration date of the Offer shall be the date which is approximately twenty-two (22) business days after the date on which the Offer Period for the Offer commences (as it may be extended from time to time until such time when all of the Conditions to Completion set forth in Section “*Terms and Conditions of the Offer – Conditions to Completion of the Offer*” shall have been satisfied (or waived by the Offeror)).

The Combination Agreement provides that the Offeror shall offer to acquire all the Shares for a consideration of EUR 6.30 in cash for each Share subject to the terms and conditions of the Offer. The Offer Consideration has been determined based on 20,957,962 Shares. Should the Company change such number of Shares that are issued and outstanding as a result of a new share issue, reclassification, stock split (including a reverse split) or any other similar transaction with dilutive effect, or should the Company distribute a dividend or otherwise distribute funds or any other assets to its shareholders, or if a record date with respect to any of the foregoing occurs prior to the final settlement of the Offer, the Offer Consideration payable by the Offeror shall be adjusted accordingly on a euro-for-euro basis, so as to ensure the same aggregate purchase price for all the outstanding share capital of the Company, as set out in section “*Terms and Conditions of the Offer – Offer Consideration*”.

Conditions for Completion

Under the Combination Agreement, the obligation of the Offeror to complete the Offer is conditional upon the fulfilment, or to the extent permitted by applicable laws and regulations, waiver by the Offeror of each of the exhaustive Conditions for Completion set forth in Section “*Terms and Conditions of the Offer – Conditions for Completion of the Offer*” on and prior to the date of the Offeror’s announcement of the final result of the Offer in accordance with Chapter 11, Section 18 of the Finnish Securities Markets Act.

Recommendation by the Board of Directors of Nordic Lights

The Board of Directors of the Company, represented by a quorum comprising the disinterested members of the Board of Directors, has unanimously decided subject to the terms and conditions of the Combination Agreement and its fiduciary duties under Finnish laws and regulations (including the Helsinki Takeover Code), to recommend that the shareholders of the Company accept the Offer and tender their Shares to the Offeror on the terms and conditions of the Offer. Under the Combination Agreement, the Board of Directors of the Company has undertaken to issue a formal statement to this effect. The statement of the Board of Directors of the Company containing the Recommendation is included in **Appendix C** to the Offer Document.

In the event that the Company receives, prior to the completion of the Offer, a bona fide written Competing Offer (as defined below) that did not result from a breach of its non-solicitation obligations under the Combination Agreement, the Board of Directors of the Company may, at any time prior to the completion of the Tender Offer, withdraw, modify or amend its Recommendation, if and only if:

- (a) it reasonably determines in good faith that the acceptance of the Offer would no longer be in the best interest of the shareholders of the Company and that the failure to effect a change of Recommendation would be a breach of its fiduciary duties; and
- (b) it consults with the Company's external legal advisor and financial advisor, after which it reasonably determines in good faith that the Competing Offer (as defined below) constitutes a Superior Offer (as defined below).

A "**Competing Offer**" shall mean any offer, proposal, indication of interest or inquiry from a person (other than a proposal or offer by the Offeror) at any time relating to any transaction or series of related transactions that could reasonably be expected to be an alternative to or materially harm or hinder the completion of the Offer, including, without limitation, those involving: (a) any acquisition or purchase by any person, directly or indirectly, of more than ten (10) percent of any class of outstanding voting or equity securities of the Company (whether by voting power or number of shares), or any tender offer (including a self-tender offer) or exchange offer that, if consummated, would result in any person beneficially owning more than ten (10) percent of any class of outstanding voting or equity securities of the Company (whether by voting power or number of shares); (b) any merger, consolidation, share exchange, business combination, joint venture, recapitalization, reorganization or other similar transaction involving the Company; or (c) any sale, lease, exchange, transfer or other disposition to a person of more than ten (10) percent of the consolidated assets of the Company and its subsidiaries (measured by the fair market value thereof).

A "**Superior Offer**" shall mean a bona fide binding written offer publicly announced in accordance with the Finnish Securities Markets Act made by a third party to acquire all of the Shares pursuant to a tender offer or a merger, or to acquire all of the operations of the Company pursuant to a sale of all or substantially all of the assets of the Company, on terms which the Board of Directors of the Company reasonably determines in good faith, after consultation with the Company's external legal advisor and financial advisor, to be more beneficial in all material respects, when considered as a whole, for the shareholders of the Company than the Offer (as the same may be modified by the Offeror pursuant to the matching rights described below). In determining whether an offer is more beneficial in all material respects for the shareholders of the Company, the Board of Directors of the Company must take into account all relevant factors, e.g. the terms and conditions of the Superior Offer, whether the potential Superior Offer is reasonably capable of being consummated on its terms (taking into account, among other things, all legal, financial, regulatory and other aspects of such proposal and the identity of the person making such proposal), the amount and type of consideration offered and the availability of financing required for the potential Superior Offer.

Prior to and as a precondition for the Board of Directors of the Company effecting a change of Recommendation in response to a Competing Offer, after having complied with its non-solicitation obligations under the Combination Agreement, (a) the Company must give the Offeror at least five (5) business days' prior written notice of its intention to take such action, including a reasonably detailed and comprehensive summary of the material terms and conditions, including all financial conditions and other relevant elements of and the identity of the offeror making any such Superior Offer and, to the extent not prohibited by applicable law or fiduciary duties, contemporaneously provide to the Offeror a copy of the Superior Offer, a detailed and itemised summary of the terms of any proposed acquisition agreement thereto, (b) if requested by the Offeror, during such notice period following the date on which such notice is received, the Company must and must cause its representatives to, negotiate with the Offeror in good faith to make such adjustments to the terms and conditions of the Offer as the Offeror may propose, and (c) upon the end of the applicable notice period, the Board of Directors of the Company must have considered in good faith any revisions to the terms of the Combination Agreement and the terms and conditions of the Offer proposed in writing by the Offeror, and must have determined, after consultation with its external legal advisor and financial advisor, that the Superior Offer would nevertheless continue to constitute a Superior Offer.

Subject to the Company not being in breach of its non-solicitation obligations under the Combination Agreement, the Board of Directors of the Company may effect a change in Recommendation in response to an Intervening Event (as defined below) if and only if the Board of Directors of the Company reasonably determines in good faith that failure to effect a change of Recommendation would be a breach of the Board of Directors' fiduciary duties. An "**Intervening Event**" shall mean any fact, change, effect, event, occurrence or circumstance first occurring or arising after the signing date of the Combination Agreement that is material to the Company and was not known by or reasonably foreseeable to the Board of Directors of the Company as of the signing date of the Combination Agreement. Prior to and as a precondition for the Board of Directors of the Company effecting a change in Recommendation pursuant to an Intervening Event, the Company shall have given the Offeror, similarly as described in the paragraph above, prior written notice and, if requested, opportunity to negotiate and to propose adjustments to the Combination Agreement and the terms and conditions of the Offer.

The Company has undertaken, and shall cause its subsidiaries and its and their respective officers, directors, employees and other representatives to undertake, as between the signing date of the Combination Agreement and the completion date of the Offer, not to directly or indirectly:

- (a) solicit, initiate or encourage or facilitate (including by way of providing information or taking any other action) any inquiry, proposal or offer, or the making, submission or announcement of any inquiry, proposal or offer which constitutes or would be reasonably expected to lead to a Competing Offer or Superior Offer, or participate in any negotiation in connection with an actual or potential Competing Offer, unless in accordance with its obligations in relation to a change of Recommendation under the Combination Agreement;
- (b) adopt, approve, endorse or recommend, or publicly propose to adopt, approve, endorse or recommend, any Competing Offer, unless in accordance with its obligations in relation to a change of Recommendation under the Combination Agreement;
- (c) effect a change of Recommendation (without prejudice to the Company's rights relating to a withdrawal or amendment of the Recommendation under the Combination Agreement);
- (d) approve, or authorize, or cause or permit the Company or any of its subsidiaries to enter into, any merger agreement, acquisition agreement, reorganization agreement, letter of intent, memorandum of understanding, agreement in principle, option agreement, joint venture agreement, partnership agreement or similar agreement or document relating to, or any other agreement or commitment providing for, any Competing Offer or Superior Offer, unless in accordance with its obligations in relation to a change of Recommendation under the Combination Agreement, or
- (e) commit or agree to do any of the foregoing except, in each case, if the Competing Offer constitutes (or would if announced, constitute) a Superior Offer, provided that the Company complies with its obligations in relation to a change of Recommendation in response to a Competing Offer under the Combination Agreement.

The Company must as promptly as is reasonably practicable (and in any event within thirty-six (36) hours) notify the Offeror of any receipt by the Company or any of its subsidiaries or its or their Representatives of any Competing Offer (or of becoming aware of any of its or their other affiliates having received any such Competing Offer). Such notice shall indicate the type of the offeror (or the identity of the offeror in case a Competing Offer consists of a written proposal or offer that constitutes a serious offer or proposal within the meaning of the Helsinki Takeover Code) making the Competing Offer and a reasonably detailed and comprehensive summary of the material terms and conditions and other relevant elements of any such Competing Offer or, if such Competing Offer is not in writing, a reasonably detailed written description of the material terms and conditions thereof, and, in each case, any material subsequent revisions to such terms and conditions and other relevant elements.

Representations, Warranties and Undertakings

The Combination Agreement contains certain customary representations and warranties, such as with respect to the Company's organization and qualification, authority relative to the Combination Agreement, financial statements, disclosure, shares and securities entitling to shares, compliance with laws, employee matters, material contracts, taxes, litigation and claims as well as properties and competing transactions.

In the Combination Agreement, Nordic Lights has given certain customary undertakings, such as the Company undertaking to conduct its own business, and causing each of its subsidiaries to conduct their respective business, in the ordinary course of business in a manner consistent with past practice and using reasonable best efforts to maintain and preserve intact its assets and business organization in all material respects until the election of the new Board of Directors of the Company in the extraordinary general meeting, including but not limited to, refraining from making or implementing or incurring, subject, in some cases, to certain limited exceptions: (i) any material changes or reorganisations in its business (including without limitation termination by it of key employees, customers, suppliers, resellers or other material business relationships, other than, in each case, for cause) or group corporate structure; (ii) issue, reissue from treasury, pledge, transfer, dispose, encumber or grant any new or existing shares or other equity interests of the Company or of any of its subsidiaries or any securities convertible into any shares or other equity interests of the Company or any of its subsidiaries, or change the number of Shares, including without limitation any reclassification, stock split or reverse split; (iii) any change of or amendment to the governing documents of the Company or of any of its subsidiaries, subject to certain exceptions; (iv) any material change to its accounting principles or practices other than such that are required by any changes of applicable laws and regulations; (v) any additional indebtedness in excess of EUR one (1) million, other than under existing working capital lines or intragroup indebtedness, and opening any new bank accounts or entering into any other financing arrangements, including (without limitation) any derivatives; (vi) any material corporate transactions of the Company or any of its subsidiaries, subject to certain exceptions, and any

acquisitions or divestments of any business operations or entities, or any acquisitions or divestments of any assets; (vii) any investments, agreements or commitments (including commitments in respect of capital expenditure), subject to certain exceptions; (viii) any commencement, settlement or compromise of any material legal proceedings or of material claims against third parties except with respect to debt collection in the ordinary course of business; (ix) any hiring of new employees or termination (other than for cause) of any current employee, subject to certain exceptions, and any salary or bonus increase or any new or amended retention or benefit programs or any retirement or severance payments or any new equity or equity related incentive programs or any other similar grants or awards, excluding any salary increase as required by applicable law or an agreement in effect as of the date of the Combination Agreement, subject to certain exceptions; (x) any action to modify, extend (subject to certain exceptions), or enter into any collective bargaining agreement or other agreement with any labour union, labour organization, works council or group of employees, or recognize or certify any labour union, labour organization, works council, or group of employees of the Company or any of its subsidiaries as the bargaining representative for any employees of the Company or any of its subsidiaries, except as required by applicable law or an agreement in effect on the date of the Combination Agreement; (xi) any action to distribute or declare (other than with respect to its wholly-owned subsidiaries) any dividends or other distribution of funds or any other assets to its shareholders, other than the contemplated dividend of EUR 0.12 per Share proposed by the Board of Directors of Nordic Lights to the Annual General Meeting of shareholders of Nordic Lights; (xii) any action to terminate, cancel, amend or waive any provision under, or otherwise modify any material agreement other than any renewal (on materially the same terms) or expiration, in each case in the ordinary course of business, or enter into any agreement that would, if entered into prior to the date of the Combination Agreement, be a material agreement, or that contains any change of control provision that would be unfavourably implicated by the transactions contemplated in the Combination Agreement, subject to certain exceptions; (xiii) any action to sell, assign, lease, exclusively license, abandon or permit to lapse, transfer or otherwise dispose of any material intellectual property; (xiv) any action to make or change any material tax election, adopt or change any tax accounting period or method of tax accounting or file any amended tax return if the filing of such amended tax return would result in a material increase in the taxes payable by the Company or any of its subsidiaries; (xv) any action to make any material change to the Company's and any of its subsidiaries' enterprise resource planning systems and processes; or, (xvi) any agreement or commitment to do any of the foregoing.

Further, the Parties have given certain customary undertakings relating to assistance and cooperation with the other Party in doing, all things necessary or advisable to complete in the most expeditious manner practicable, the transactions contemplated by the Combination Agreement, including obtaining all necessary consents, approvals or waivers from third parties and the provision of all necessary notices to third parties, executing or delivering any additional corporate resolutions or instruments necessary to consummate the transactions contemplated in and to fully carry out the purposes of the Combination Agreement, and in making all required registrations and filings with the relevant governmental entities, stock exchanges and competition authorities and other regulatory authorities to obtain all the necessary authority approvals, or to avoid an action or proceeding by such authorities.

Termination

The Combination Agreement may be terminated by the mutual written consent of the Parties, and further by either Party with immediate effect at any time prior to the closing date of the Offer, if at least one of the following events occurs:

- (a) by written notice to the other Party upon any competing public tender offer in relation to shares in the Company having been completed or having become unconditional in all respects, provided that irrevocable acceptances have been received in respect of more than fifty (50) per cent of the Shares;
- (b) by a written notice to the other Party if the closing date of the Offer has not occurred on or before June 30, 2023 (the "**Long-Stop Date**") provided, that if on the Long-Stop Date the conditions set forth in the Combination Agreement (solely as they relate to approvals under anti-trust laws and foreign direct investment laws or regulations) shall not have been satisfied or waived, the Long-Stop Date will automatically be extended to September 30, 2023; or
- (c) if any order preventing the consummation of the Offer shall have been issued by any court or other authority of competent jurisdiction and shall have become final and non-appealable or any statute, rule or regulation have been enacted, entered, enforced or deemed applicable to the Offer that prohibits, makes illegal or enjoins the consummation of the Offer;

provided, however, in the clauses (a), (b) and (c) above that such right to terminate the Combination Agreement shall not be available to a Party whose breach of any representation, warranty, undertaking or obligation under the Combination Agreement is the primary cause of the event which would otherwise allow such Party to terminate the Combination Agreement.

The Company may, if it is not then in material breach of the Combination Agreement, terminate the Combination Agreement with immediate effect at any time prior to the closing date of the Offer by giving to the Offeror a written notice thereof if at least one of the following events occurs:

- (a) the Board of Directors of the Company has, having complied with certain sections of the Combination Agreement, withdrawn, modified or changed the recommendation pursuant to the Combination Agreement and immediately prior to or substantially concurrently with (and as a condition to) the termination of the Combination Agreement, the Company (i) with respect to a withdrawal and amendment of its recommendation in response to a competing offer or superior offer, enters into a binding agreement with respect to the superior offer and (ii) pays to the Offeror the Termination Fee (as defined below) in immediately available funds;
- (b) the Offeror has not commenced the Offer on or prior to March 31, 2023; or
- (c) upon a material breach by the Offeror of any warranty given by the Offeror in the Combination Agreement or any undertaking or other provision set forth in the said agreement and such failure is incapable of being cured prior to the Long-Stop Date or, if capable of being cured prior to the Long-Stop Date, has not been cured within thirty (30) days of the Company providing written notice thereof.

The Offeror may, if it is not then in material breach of the Combination Agreement, terminate the Combination Agreement with immediate effect at any time prior to the closing date of the Offer by giving the Company a written notice thereof if at least one of the following events occurs:

- (a) the Board of Directors of the Company has withdrawn, modified or changed its recommendation (excluding any technical modification or change of the recommendation required under applicable laws or the Helsinki Takeover Code as a result of a competing offer so long as the recommendation to accept the Offer is upheld);
- (b) a fact or circumstance has arisen after the signing date of the Combination Agreement that constitutes a Material Adverse Change (as defined below);
- (c) upon a breach by the Company of any company warranty given by the Company or a material breach of any other provision set forth in the Combination Agreement and (i) such breach is incapable of being cured prior to the Long-Stop Date or, if capable of being cured prior to the Long-Stop Date, has not been cured within thirty (30) days of the Offeror providing written notice thereof and in any case three (3) business days prior to the expiration date of the Offer and, (ii) with regard to a breach of a company warranty, the breach (disregarding any references to materiality in any such company warranty) constitutes, either individually or in aggregate with other breaches of the company warranties, a Material Adverse Change (as defined below);
- (d) if during the period between the signing date of the Combination Agreement and the commencement of the Offer it becomes clear that any of the Conditions to Completion will not be fulfilled, provided, however, that such right to terminate the Combination Agreement shall not be available if the Offeror's breach of the Combination Agreement is the primary cause of the circumstances which would allow the Offeror to terminate said agreement; or
- (e) any of the irrevocable undertakings ceases to remain in full force and effect in accordance with its terms.

In case of any termination or expiration of the Combination Agreement, the Offeror is entitled to withdraw the Offer in accordance with applicable Finnish laws and regulations and the terms and conditions of the Offer. Upon termination or expiration, the Combination Agreement shall forthwith become void and there shall be no liability for either Party or any of their directors and officers under the Combination Agreement, provided, however, that nothing shall relieve either Party from liability for fraud or wilful breach of the terms of the Combination Agreement, and all rights and obligations of each Party hereto shall cease, save for the provisions specified in the Combination Agreement.

If the Combination Agreement is terminated i) by the Company or (ii) by the Offeror, in either case due to a change of recommendation, the Company shall pay to the Offeror on demand as cost coverage a termination fee of up to EUR 4.5 million in reimbursements for the Offeror's out-of-pocket expenses and costs incurred in connection with the transactions contemplated in the Combination Agreement, including, without limitation, the Offeror's legal and financial advisor fees (the "**Termination Fee**"). In the case of termination by the Offeror due to a change of recommendation, such Termination Fee shall be paid by the Company within ten (10) business days after such termination of the Combination Agreement in immediately available funds to a bank account identified by the Offeror.

If the Combination Agreement is terminated by the Company due to the Offeror not commencing the Offer on or prior to March 31, 2023 or due to the closing date of the Offer not having occurred by the Long-Stop Date, and at the time of termination due to the closing not having occurred by the Long-Stop Date the only conditions set forth in the Combination Agreement that have not been satisfied are those related to approvals under anti-trust laws and foreign direct investment laws or regulation (and for the avoidance of doubt, other than those conditions that by their nature are to be satisfied at the closing date of the Offer, so long as such conditions would have been capable of being satisfied if the closing were to occur on the date the notice of termination is delivered), and provided that the Company has followed its cooperation obligations pursuant to the Combination Agreement, the Offeror shall pay to the Company on demand as cost coverage a termination fee of up to EUR 1.5 million in reimbursements for the Company's out-of-pocket expenses and costs incurred in connection with the transactions contemplated in the Combination Agreement, including, without limitation, the Company's legal and financial advisor fees (the "**Offeror Termination Fee**"). The Offeror Termination Fee shall be paid by the Offeror within ten (10) business days after such termination of the Combination Agreement in immediately available funds to a bank account identified by the Company.

Governing Law

The Combination Agreement shall be governed by and construed in accordance with the laws of Finland, excluding its choice of law provisions.

Any dispute, controversy or claim arising out of or relating to the Combination Agreement, or the breach, termination or invalidity thereof, shall be finally settled by arbitration in Helsinki, Finland, in accordance with the Arbitration Rules of the Finland Chamber of Commerce. The arbitral tribunal shall be composed of three (3) arbitrators. The arbitral proceedings shall be conducted in the English language.

Notwithstanding the aforementioned, a Party shall have the right to seek precautionary measure, temporal procedural remedy, temporary restraining order or preliminary restrictive injunctions or orders for specific performance against the other Party in a court of law of competent jurisdiction where such action is necessary to protect its interest pending commencement or completion of the arbitration proceedings.

TERMS AND CONDITIONS OF THE OFFER

Object of the Offer

Montana BidCo Oy (the “**Offeror**”), a private limited company incorporated under the laws of Finland, offers to acquire all of the issued and outstanding shares, in Nordic Lights Group Corporation (the “**Company**” or “**Nordic Lights**”) that are not held by the Company or its subsidiaries (the “**Shares**” or, individually, a “**Share**”) through a voluntary public cash tender offer in accordance with Chapter 11, Section 27 of the Finnish Securities Markets Act (746/2012, as amended, the “**Finnish Securities Markets Act**”) and subject to the terms and conditions set forth herein (the “**Offer**”).

The Offeror is indirectly wholly-owned by Methode Electronics, Inc. (“**Methode**”), a corporation incorporated and existing under the laws of the state of Delaware, the United States with its shares listed on the New York Stock Exchange. Methode and the Company have, on 28 February 2023, entered into a combination agreement (the “**Combination Agreement**”) pursuant to which the Offeror makes the Offer and pursuant to which Methode has transferred its rights and obligations to the Offeror (in accordance with its terms).

Offer Consideration

The Offer was announced by the Offeror on February 28, 2023 (the “**Announcement**”). The price offered for each Share validly tendered in accordance with the terms and conditions of the Offer is EUR 6.30 in cash (the “**Offer Consideration**”).

The Offer Price has been determined based on the issued and outstanding 20,957,962 Shares as at the date of this tender offer document (the “**Offer Document**”). In the event that the number of Shares increases or Nordic Lights issues special rights entitling to Shares in accordance with Chapter 10 of the Finnish Companies Act (624/2006, as amended, the “**Finnish Companies Act**”) prior to the Completion Date (as defined below), the Offeror will have the right to adjust the Offer Consideration accordingly on a euro-for-euro basis.

If a decision is made at a general meeting of shareholders of Nordic Lights or by the Board of Directors of Nordic Lights prior to the Completion Date to distribute dividends or other assets to shareholders or should a record date with respect to any of the foregoing occur prior to the Clearing Day (as defined below), an amount equal to the dividend or distribution per Share will be deducted from the Offer Consideration on a euro-for-euro basis. The Board of Directors of Nordic Lights proposes to the Annual General Meeting of shareholders of Nordic Lights that a dividend of EUR 0.12 per Share be paid, which could result in an adjustment to the Offer Consideration on a euro-for-euro basis as set out above.

Any adjustment to or deduction from the Offer Consideration pursuant to the above-mentioned paragraphs will be announced by way of a company release. If the Offer Consideration is adjusted or if any deduction is made from the Offer Consideration, the Offer Period (as defined below) will continue for at least ten (10) Finnish banking days following such announcement.

Offer Period

The offer period of the Offer will commence at 9:30 a.m. (Finnish time) on March 15, 2023 and expire at 4:00 p.m. (Finnish time) on April 14, 2023 (including as it may be extended in accordance with these terms and conditions, the “**Expiration Date**”), unless the offer period is extended or discontinued as described below (the “**Offer Period**”, which is defined to also include any extensions to or discontinuations of the Offer Period). The acceptance of the Offer must be received by the relevant account operator, as described below under “– *Acceptance Procedure for the Offer*”, before the expiration of the Offer Period.

The Offeror may extend the Offer Period (i) at any time until the Conditions to Completion (as defined below) have been fulfilled or waived, (ii) in case of any competing offer as referred to in Chapter 11, Section 17 of the Finnish Securities Market Act, and/or (iii) with a Subsequent Offer Period (as defined below) in connection with the announcement of the final result of the Offer whereby the Offeror also declares the Offer unconditional, as set forth below.

The Offeror will announce an extension of the Offer Period (if any), including the duration of the extended Offer Period, which shall be at least two (2) weeks, by a company release on the first (1st) Finnish banking day following the expiration of the original Offer Period, at the latest. Furthermore, the Offeror will announce any further extension of an already extended Offer Period (if applicable) or an extension of a discontinued Offer Period on the first (1st) Finnish banking day following the expiration of an already extended Offer Period or a discontinued Offer Period, at the latest.

According to Chapter 11, Section 12 of the Finnish Securities Markets Act, the duration of the Offer Period in its entirety may be ten (10) weeks at the maximum (including any extension of the Offer Period). If, however, the Conditions to Completion have not been fulfilled due to a particular obstacle comparable to that referred to in the regulations and guidelines (9/2013) of the Finnish Financial Supervisory Authority (the “**FIN-FSA**”) on Takeover Bids and Mandatory Bids, as may be amended or re-enacted from time to time (the “**FIN-FSA Regulations and Guidelines**”), such as, for

example, a pending approval by a regulatory authority, the Offeror may extend the duration of the Offer Period beyond ten (10) weeks until such obstacle has been removed and the Offeror has had reasonable time to consider the situation in question, provided that the business operations of the Company are not hindered for longer than is reasonable, as referred to in Chapter 11, Section 12, Subsection 2 of the Finnish Securities Markets Act. The Offeror may also extend the duration of the Offer Period beyond ten (10) weeks in case of any competing offer, in accordance with the FIN-FSA Regulations and Guidelines. In this case, the Offeror will announce a new expiration date, which shall be no less than two (2) weeks from the date of such announcement. Furthermore, any Subsequent Offer Period (as defined below) may extend beyond ten (10) weeks.

The Offeror may discontinue the Offer Period should all the Conditions to Completion (as defined below) be fulfilled or waived by the Offeror prior to the expiration of the Offer Period and the Offeror will consummate the Offer in accordance with its terms and conditions after the expiration of the Offer Period by purchasing the Shares validly tendered in the Offer and paying the Offer Consideration to the shareholders that have validly accepted the Offer. However, the duration of the Offer Period shall be at least three (3) weeks from the date of the commencement of the Offer Period. The Offeror will announce its decision on the discontinuation of the Offer Period as soon as possible after such a decision has been made and, in any case, no less than two (2) weeks prior to the expiration of the discontinued Offer Period. If the Offeror discontinues the Offer Period, the Offer Period will expire at an earlier time on a date announced by the Offeror.

The Offeror also reserves the right to extend the Offer Period in connection with the announcement of the final result of the Offer as set forth in “– *Announcement of the Result of the Offer*” below (such extended Offer Period, the “**Subsequent Offer Period**”). In the event of such Subsequent Offer Period, the Subsequent Offer Period will expire on the date and at the time determined by the Offeror in the final result announcement. The expiration of a Subsequent Offer Period will be announced at least two (2) weeks before the expiration of such Subsequent Offer Period. The Offeror may also extend the Subsequent Offer Period by announcing this through a release at the latest on the first (1st) Finnish banking day following the initially expected expiry of the Subsequent Offer Period, provided that the Offeror will promptly settle any acceptances received during the initial Subsequent Offer Period.

Conditions to Completion of the Offer

The obligation of the Offeror to complete the Offer is conditional upon the requirements set forth below (the “**Conditions to Completion**”) being fulfilled by and on the date of the Offeror’s announcement of the final result of the Offer in accordance with Chapter 11, Section 18 of the Finnish Securities Markets Act, or, to the extent permitted by applicable law, their fulfilment being waived by the Offeror:

- (a) the Offer having been validly accepted and not withdrawn with respect to Shares representing, together with any Shares otherwise held by the Offeror prior to the announcement of the final result of the Offer, on a fully diluted basis, more than ninety (90) percent of the Shares and voting rights in the Company as calculated in accordance with Chapter 18, Section 1 of the Finnish Companies Act governing the right and obligation to commence redemption proceedings and allowing the Offeror to proceed to conducting a squeeze-out in accordance with Chapter 18 of the Finnish Companies Act;
- (b) the receipt of all necessary regulatory approvals, permits and consents required under any applicable competition laws or other regulatory laws in any jurisdiction for the completion of the Offer by the Offeror;
- (c) no legislation or other regulation or order having been issued or decision by a competent court or regulatory authority having been given that would wholly or in any material part prevent or postpone the completion of the Offer;
- (d) no fact or circumstance having arisen after the signing date of the Combination Agreement, and the Offeror not having received, after the signing date of the Combination Agreement, information previously undisclosed to it that constitutes, individually, or, taken together will all such information, facts and circumstances in the aggregate, a Material Adverse Change (as defined below);
- (e) no information made public by the Company or disclosed by the Company to the Offeror or any of the representations and warranties by the Company included in the Combination Agreement being materially inaccurate, incomplete or misleading, and the Company not having failed to make public or disclose any information that should have been made public or disclosed by it under applicable laws, provided that, in each case, the information made public, disclosed, or the failure to disclose information, constitutes a Material Adverse Change;
- (f) the Combination Agreement having not been terminated in accordance with its terms and remaining in full force and effect, and no event having occurred that would give the Offeror the right to terminate the Combination Agreement in accordance with its terms;
- (g) the Board of Directors of the Company having issued its recommendation that the shareholders of the Company accept the Offer and the recommendation remaining in full force and effect and having not been modified,

cancelled or changed (excluding any technical modification or change of the recommendation required under applicable laws or the Helsinki Takeover Code as a result of a competing offer so long as the recommendation to accept the Offer is upheld); and

- (h) the undertakings by Sponsor Capital IV Ky, Elo Mutual Pension Insurance Company and Purmo Autic Oy Ab to accept the Offer remaining in full force and effect in accordance with their terms and not having been modified, cancelled or changed.

The Conditions to Completion set out herein are exhaustive. The Offeror may only invoke any of the Conditions to Completion so as to cause the Offer not to proceed, to lapse or to be withdrawn, if the circumstances which give rise to the right to invoke the relevant Condition to Completion have a significant meaning to the Offeror in view of the Offer, as referred to in the FIN-FSA Regulations and Guidelines and the Helsinki Takeover Code. The Offeror reserves the right to waive, to the extent permitted by applicable law and regulation, any of the Conditions to Completion that have not been fulfilled. If all Conditions to Completion have been fulfilled or the Offeror has waived the requirements for the fulfilment of all or some of them no later than at the time of announcement of the final results of the Offer, the Offeror will consummate the Offer in accordance with its terms and conditions after the expiration of the Offer Period by purchasing the Shares validly tendered in the Offer and paying the Offer Consideration to the holders of Shares that have validly accepted the Offer.

The Offer will be completed after the expiration of the Offer Period in accordance with “– *Technical Completion of the Offer*” and “– *Terms of Payment and Settlement*” below with respect to all shareholders of the Company who have validly accepted the Offer.

“**Material Adverse Change**” means (a) the Company or any of its subsidiaries becoming insolvent, subject to administration, bankruptcy or any other equivalent insolvency proceedings, or, if any legal proceedings (other than by the Offeror or its affiliates) or corporate resolution is taken by, or against any of them in respect of any such proceedings, such action could reasonably be expected to result in the commencement of such proceedings, provided, in each case, that such proceedings could reasonably be expected to result in a material adverse change in, or material adverse effect to, the business, assets, financial condition or results of operation of the Company and its subsidiaries, taken as a whole; or (b) any fact, change, effect, event, occurrence or circumstance that, individually or in the aggregate, has had or would reasonably be expected to have a material adverse change in, or material adverse effect on, the business, assets, liabilities, condition (financial or otherwise) or results of operations of the Company and its subsidiaries, taken as a whole, provided, that none of the following shall be deemed to constitute a material adverse change or material adverse effect to the extent they arise from: (i) political, financial, industry, economic (including with respect to interest rates or currency exchange rates) or regulatory conditions generally so long as they do not have a materially disproportionate effect on the Company or its subsidiaries relative to other industry participants; (ii) any natural disaster, escalation or exacerbation of a widespread pandemic or outbreak of any other disease, outbreak of or escalation in major hostilities or act of war or terrorism so long as they do not have a materially disproportionate effect on the Company or its subsidiaries relative to other industry participants; (iii) the failure of the Company to meet any internal or published projections, forecasts, estimates or predictions in respect of revenues, earnings, net asset value or other financial or operating metrics before, on or after the signing date of the Combination Agreement, provided that nothing provided in this clause (iii) shall prevent or otherwise affect the determination whether any fact, change, effect, event, occurrence or circumstance underlying such failure constitutes or contributes to a Material Adverse Change; (iv) changes in the market price or trading volume of the Company’s securities, provided that any underlying cause of such changes in the market price or trading volume of the Company’s securities may still be deemed to constitute or contribute to a Material Adverse Change; (v) the public announcement of the Offer or the proposed combination (other than with respect to a representation or warranty contained in the Combination Agreement where the purpose of such representation or warranty is to address the consequences resulting from the announcement of the transactions contemplated hereby, except as has been fairly disclosed in accordance with the Combination Agreement); (vi) any act or omission carried out or omitted by the Offeror in connection with the Offer, in any such case, in breach of the Combination Agreement; or (vii) any actions taken by the Company at the express written request of the Offeror.

Obligation to Increase the Offer Consideration and to Pay Compensation

The Offeror reserves the right to buy Shares during the Offer Period (including any extension thereof) and any Subsequent Offer Period in public trading on Nasdaq First North Growth Market Finland (“**Nasdaq First North**”) or otherwise to the extent permitted by applicable laws and regulations.

Should the Offeror or another party acting in concert with the Offeror in the meaning of Chapter 11, Section 5 of the Finnish Securities Markets Act acquire Shares after the announcement of the Offer and before the expiry of the Offer Period (including any Subsequent Offer Period) at a price higher than the Offer Consideration, or otherwise on more favourable terms, the Offeror must, in accordance with Chapter 11, Section 25 of the Finnish Securities Markets Act, amend the terms and conditions of the Offer to correspond with the terms and conditions of the above-mentioned acquisition on more favourable terms (increase obligation). In such case, the Offeror will make public its increase

obligation without delay and pay, in connection with the completion of the Offer, the difference between the consideration paid in such an acquisition on more favourable terms and the Offer Consideration to those shareholders that have accepted the Offer.

Should the Offeror or another party acting in concert with the Offeror in the meaning of Chapter 11, Section 5 of the Finnish Securities Markets Act acquire Shares within nine (9) months after the expiration of the Offer Period (including any Subsequent Offer Period) at a price higher than the Offer Consideration, or otherwise on more favourable terms, the Offeror must, in accordance with Chapter 11, Section 25 of the Finnish Securities Markets Act, pay the difference between the consideration paid in an acquisition on more favourable terms and the Offer Consideration paid to those shareholders that have accepted the Offer (compensation obligation). In such case, the Offeror will make public its compensation obligation without delay and pay the difference between the consideration paid in such an acquisition on more favourable terms and the Offer Consideration within one (1) month of the date when the compensation obligation arose for those shareholders that have accepted the Offer.

However, according to Chapter 11, Section 25, Subsection 5 of the Finnish Securities Markets Act, the compensation obligation will not be triggered in circumstances where the payment of a higher price than the Offer Consideration is based on an arbitral award pursuant to the Finnish Companies Act, provided that the Offeror or any party referred to in Chapter 11, Section 5 of the Finnish Securities Markets Act has not offered to acquire Shares on terms that are more favourable than those of the Offer before or during the arbitral proceedings.

Acceptance Procedure for the Offer

The Offer may be accepted by a shareholder registered during the Offer Period in the shareholders' register of Nordic Lights maintained by Euroclear Finland Oy, with the exception of Nordic Lights and its subsidiaries. Acceptance of the Offer must be submitted separately for each book-entry account. A shareholder of Nordic Lights submitting an acceptance must have a cash account with a financial institution operating in Finland or abroad (see "*Terms of Payment and Settlement*" below and "*Important Information*"). Shareholders may only accept the Offer unconditionally and for all Shares that are held on the book-entry accounts mentioned in the acceptance form at the time of the execution of the transactions with respect to the Shares of such shareholder. Acceptances submitted and not validly withdrawn during the Offer Period are valid also until the expiration of an extended or discontinued extended Offer Period, if any.

Most Finnish account operators are expected to send a notice regarding the Offer and related instructions and an acceptance form to their customers who are registered as shareholders in the shareholders' register of Nordic Lights maintained by Euroclear Finland Oy. Shareholders of Nordic Lights who do not receive such instructions or an acceptance form from their account operator or asset manager should first contact their account operator or asset manager and can subsequently contact Danske Bank A/S, Finland Branch ("**Danske Bank**") by sending an e-mail to nordiclights-offer@danskebank.com, where such shareholders of Nordic Lights can receive information on submitting their acceptance of the Offer, or, if such shareholders are U.S. residents or located within the United States, they may contact their brokers for the necessary information.

Those shareholders of Nordic Lights whose Shares are nominee-registered and who wish to accept the Offer, must submit their acceptance in accordance with the instructions given by the custodial nominee account holders. The Offeror will not send an acceptance form or any other documents related to the Offer to these nominee-registered shareholders of Nordic Lights.

With respect to pledged Shares, acceptance of the Offer requires the consent of the pledgee. Acquiring this consent is the responsibility of the relevant shareholders of Nordic Lights. The pledgee's consent must be delivered to the account operator in writing.

A shareholder of Nordic Lights who wishes to accept the Offer must submit the properly completed and duly executed acceptance form to the account operator that manages the shareholder's book-entry account in accordance with the instructions and within the time period set by the account operator, which may be prior to the expiry of the Offer Period. The Offeror reserves the right to reject any acceptances that have been submitted in an incorrect or incomplete manner. In the event of a Subsequent Offer Period, the acceptance form must be submitted in such a manner that it is received during the Subsequent Offer Period, subject to and in accordance with the instructions of the relevant account operator.

Any acceptance must be submitted in such a manner that it will be received within the Offer Period (including any extended or discontinued Offer Period) taking into account, however, the instructions given by the relevant account operator. The account operator may request the receipt of acceptances prior to the expiration of the Offer Period. Shareholders of Nordic Lights submit acceptances at their own risk. Any acceptance will be considered as submitted only when an account operator has actually received it. The Offeror reserves a right to reject any acceptance given in an incorrect or incomplete manner.

A shareholder who has validly accepted the Offer in accordance with the terms and conditions of the Offer may not sell or otherwise transfer their tendered Shares. By accepting the Offer, the shareholders authorise their account operator to

enter into their book-entry account a sales reservation or a restriction on the right of disposal in the manner set out in “– *Technical Completion of the Offer*” below after the shareholder has delivered the acceptance form with respect to the Shares. Furthermore, the shareholders of Nordic Lights that accept the Offer authorise their account operator to perform necessary entries and undertake any other measures needed for the technical execution of the Offer, and to sell all the Shares held by the shareholder of Nordic Lights at the time of the execution of the settlement of the Offer, as set out under “– *Completion of the Offer*” below to the Offeror in accordance with the terms and conditions of the Offer. In connection with the settlement of the Offer or the clearing thereof, the sales reservation or the restriction on the right of disposal will be removed and the Offer Consideration will be transferred to the shareholders of Nordic Lights.

By giving an acceptance on the Offer, the shareholder authorises their depository participant to disclose the necessary personal data, the number of their book-entry account and the details of the acceptance to the parties involved in the order or the execution of the order and settlement of the Shares.

Right of Withdrawal of Acceptance

An acceptance of the Offer may be withdrawn by a shareholder of Nordic Lights at any time before the expiration of the Offer Period (including any extended or discontinued Offer Period) until the Offeror has announced that all Conditions to Completion have been fulfilled or waived by the Offeror, that is, the Offeror has declared the Offer unconditional. After such announcement, the Shares already tendered may not be withdrawn except in the event that a third party announces a competing public Offer for the Shares prior to the expiration of the Offer Period (including any extended or discontinued Offer Period) and provided that the execution of the settlement of the Shares as set out under “– *Completion of the Offer*” below has not yet been executed.

A valid withdrawal of the Offer requires that a withdrawal notification is submitted in writing to the account operator to whom the original acceptance form was submitted.

For nominee-registered Shares, the shareholders must request the relevant custodial nominee account holder to execute a withdrawal notification.

If a shareholder of Nordic Lights validly withdraws an acceptance of the Offer, the sales reservation or the restriction on the right of disposal with respect to the Shares will be removed within three (3) Finnish banking days of the receipt of a withdrawal notification.

A shareholder of Nordic Lights who has validly withdrawn its acceptance of the Offer may accept the Offer again during the Offer Period (including any extended or discontinued Offer Period) by following the procedure set out under “– *Acceptance Procedure for the Offer*” above.

A shareholder of Nordic Lights who withdraws its acceptance is obligated to pay any fees that the account operator operating the relevant book-entry account or the custodial nominee account holder may collect for the withdrawal. In accordance with the FIN-FSA Regulations and Guidelines, if a competing offer has been announced during the Offer Period and the completion of the Offer has not taken place, the Offeror will not charge the shareholders for validly withdrawing their acceptance in such a situation.

In the event of a Subsequent Offer Period, the acceptance of the Offer will be binding and cannot be withdrawn, unless otherwise provided under mandatory law.

Technical Completion of the Offer

When an account operator has received a properly completed and duly executed acceptance form with respect to the Shares in accordance with the terms and conditions of the Offer, the account operator will enter a sales reservation or a restriction on the right of disposal into the relevant shareholder’s book-entry account. In connection with the settlement of the Offer or the clearing thereof, the sales reservation or the restriction on the right of disposal will be removed and the Offer Consideration will be paid to the relevant shareholder.

Announcement of the Result of the Offer

The preliminary result of the Offer will be announced by a company release on or about the first (1st) Finnish banking day following the expiration of the Offer Period (including any extended and discontinued Offer Period). In connection with the announcement of the preliminary result, it will be announced whether the Offer will be completed subject to the Conditions to Completion continuing to be fulfilled on the date of the final result announcement and whether the Offer Period will be extended. The final result of the Offer will be announced on or about the third (3rd) Finnish banking day following the expiration of the Offer Period (including any extended and discontinued Offer Period). In connection with the announcement of the final result, the percentage of the Shares in respect of which the Offer has been validly accepted and not validly withdrawn will be confirmed.

The Offeror will announce the initial percentage of the Shares validly tendered during a Subsequent Offer Period (if any) on or about the first (1st) Finnish banking day following the expiry of the Subsequent Offer Period and the final percentage on or about the third (3rd) Finnish banking day following the expiry of the Subsequent Offer Period.

Completion of the Offer

The settlement of the Offer will be executed with respect to all of those Shares of Nordic Lights with respect to which the Offer has been validly accepted, and not validly withdrawn, by no later than on the fourth (4th) Finnish banking day following the expiration of the Offer (including any extended or discontinued Offer Period) (the “**Completion Date**”), preliminarily expected to be on April 20, 2023. If possible, the settlement of the Shares will be executed on Nasdaq First North, provided that the rules applied to trading on Nasdaq First North allow that. Otherwise, the settlement will be made outside Nasdaq First North. The settlement will be made on or about the Completion Date (the “**Clearing Day**”), preliminarily expected to be on April 20, 2023.

Terms of Payment and Settlement

The Offer Consideration will be paid on the Clearing Day to each shareholder of Nordic Lights who has validly accepted, and not validly withdrawn, the Offer into the management account of the shareholder’s book-entry account. In any case, the Offer Consideration will not be paid to a bank account situated in Australia, Canada, Hong Kong, Japan, New Zealand, South Africa or Switzerland or any other jurisdiction where the Offer is not being made (see section “*Important Information*”). If the management account of a shareholder of Nordic Lights is with a different financial institution than the applicable book-entry account, the Offer Consideration will be paid into such cash account approximately two (2) Finnish banking days later in accordance with the schedule for payment transactions between financial institutions.

In the event of a Subsequent Offer Period, the Offeror will in connection with the announcement thereof announce the terms of payment and settlement for the Shares tendered during the Subsequent Offer Period. The settlement with respect to the Shares validly tendered in accordance with the terms and conditions of the Offer during the Subsequent Offer Period will, however, be executed within not more than two (2) week intervals.

The Offeror reserves the right to postpone the payment of the Offer Consideration if payment is prevented or suspended due to a force majeure event, but will immediately effect such payment once the force majeure event preventing or suspending payment is resolved.

Transfer of Title

Title to the Shares in respect of which the Offer has been validly accepted, and not validly withdrawn, will pass to the Offeror on the Clearing Day against the payment of the Offer Consideration by the Offeror to the tendering shareholder. In the event of a Subsequent Offer Period, title to the Shares validly tendered in the Offer during a Subsequent Offer Period will pass to the Offeror against payment of the Offer Consideration by the Offeror to the tendering shareholder as promptly as reasonable following their tender.

Offer Acceptance Payments

All transfer, documentary, sales, use, stamp, registration and other such taxes and fees (including penalties and interest) incurred in connection with the Offer shall be paid by the Offeror.

Each shareholder of Nordic Lights is liable for any payments that, based on an agreement made with the shareholder, an account operator may charge as well as for any fees and commissions charged by account operators, custodians, custodial nominee account holders or other parties related to the release of collateral or the revoking of any other restrictions preventing the sale of the Shares. Each shareholder of Nordic Lights is liable for any fees that relate to a withdrawal of an acceptance made by the shareholder.

The Offeror is liable for any other customary costs caused by the registration of entries in the book-entry system required by the Offer, the execution of trades pertaining to the Shares pursuant to the Offer and the payment of the Offer Consideration.

Should a competing offer be published by a third party during the Offer Period and should a shareholder of Nordic Lights therefore or otherwise validly withdraw its acceptance of the Offer, certain account operators may charge the shareholder separately for the registration of the relevant entries regarding the acceptance and withdrawal as explained under “– *Right of Withdrawal of Acceptance*” above. The Offeror will not charge shareholders any fees in connection with such withdrawals.

The receipt of cash pursuant to the Offer by a shareholder may be a taxable transaction for the respective shareholder under applicable tax laws, including those of the country of residency of the shareholder. Any tax liability arising to a

shareholder from the receipt of cash pursuant to the Offer will be paid and borne by such shareholder. Each shareholder is urged to consult with an independent professional adviser regarding the tax consequences of accepting the Offer.

Other Matters

The Offeror reserves the right to amend the terms and conditions of the Offer in accordance with Chapter 11, Section 15 of the Finnish Securities Markets Act. This Offer Document and the Offer are governed by Finnish law. Any disputes arising out of or in connection with this Offer will be settled by a court of competent jurisdiction in Finland.

Should a competing Offer be published by a third party during the Offer Period, the Offeror reserves the right, as stipulated in Chapter 11, Section 17 of the Finnish Securities Markets Act to (i) decide upon an extension of the Offer Period; (ii) decide upon an amendment of the terms and conditions of the Offer; and (iii) decide, during the Offer Period, but before the expiration of the competing offer, to let the Offer lapse. The Offeror will decide on all other matters related to the Offer, subject to applicable laws and regulations and the provisions of the Combination Agreement.

Other Information

Danske Bank acts as arranger in relation to the Offer, which means that it performs certain administrative services relating to the Offer. This does not mean that a person who accepts the Offer (the “**Participant**”) will be regarded as a customer of Danske Bank as a result of such acceptance. A Participant will be regarded as a customer only if Danske Bank has provided advice to the Participant or has otherwise contacted the Participant personally regarding the Offer. If the Participant is not regarded as a customer, the investor protection rules under the Finnish Act on Investment Services (747/2012, as amended) will not apply to the acceptance. This means, among other things, that neither the so-called customer categorisation nor the so-called appropriateness test will be performed with respect to the Offer. Each Participant is therefore responsible for ensuring that it has sufficient experience and knowledge to understand the risks associated with the Offer.

Important Information regarding NID and LEI

According to Directive 2014/65/EU on markets in financial instruments (MiFID II), all investors must have a global identification code from January 3, 2018 in order to carry out a securities transaction. These requirements require legal entities to apply for registration of a Legal Entity Identifier (“**LEI**”) code, and natural persons need to state their National ID or National Client Identifier (“**NID**”) to accept the Offer. Each person’s legal status determines whether a LEI code or NID number is required, and the book-entry account operator may be prevented from performing the transaction to any person if the LEI or NID number is not provided. Legal persons who need to obtain a LEI code can contact the relevant authority or one of the suppliers available on the market. Those who intend to accept the Offer are encouraged to apply for registration of a LEI code (legal persons) or to acquire their NID number (natural persons) well in advance, as this information is required in the acceptance at the time of submission.

Information regarding Processing of Personal Data

Shareholders who accept the Offer will submit personal data, such as name, address and social security number, to Danske Bank, who is the controller for the processing of such data. Personal data provided to Danske Bank will be processed in data systems to the extent required to administer the Offer. Personal data obtained from sources other than the customer may also be processed. Personal data may also be processed in the data systems of companies with which Danske Bank cooperates and it may be disclosed to the Offeror to the extent necessary for administering the Offer. Address details may be obtained by Danske Bank through an automatic procedure executed by Euroclear Finland Oy. Additional information on processing of personal data by Danske Bank, including details on how to exercise data subjects’ rights may be found at www.danskebank.com.

PRESENTATION OF THE OFFEROR

The Offeror and Methode in Brief

Montana is a private limited liability company (business identity code 3347535-2) incorporated under the laws of Finland. The Offeror is domiciled in Helsinki, Finland, and its registered address is c/o Hannes Snellman Attorneys Ltd, Eteläesplanadi 20, 00131 Helsinki, Finland. As at the date of this Offer Document, the Offeror is indirectly wholly-owned by Methode. Montana was incorporated on February 24, 2023 for the purposes of the Offer and to operate as the parent company of Nordic Lights in the acquisition structure. The Offeror has never and does not currently conduct any other business activities.

Methode is a leading global supplier of custom engineered solutions with sales, engineering and manufacturing locations in North America, Europe, Middle East and Asia. Methode designs, engineers and produces mechatronic products for Original Equipment Manufacturers (OEMs) utilizing a broad range of technologies for user interface, LED lighting system, power distribution and sensor applications. Its solutions are found in the end markets of transportation (including automotive, commercial vehicle, e-bike, aerospace, bus and rail), cloud computing infrastructure, construction equipment, consumer appliance and medical devices.

Methode was founded in 1946 and is headquartered in Chicago, Illinois, with its shares admitted to public trading since 1966. As reported in Methode's last 10-K annual report filing, at April 30, 2022, Methode had approximately 7,000 employees worldwide, and net sales of approximately USD 1.1636 billion.

Persons Related to the Offeror as Stipulated in Chapter 11, Section 5 of the Finnish Securities Markets Act

The parties acting in concert with the Offeror as referred to in Chapter 11, Section 5 of the Finnish Securities Markets Act include Methode and its direct and indirect majority owned subsidiaries.

Neither the Offeror nor any party related to the Offeror in the manner referred to in Chapter 11, Section 5 of the Finnish Securities Markets Act has during the period of six (6) months preceding the Offer Announcement acquired any Shares in Nordic Lights in public trading or otherwise.

As at the date of this Offer Document, neither the Offeror nor any party related to the Offeror as referred to in Chapter 11, Section 5 of the Finnish Securities Market Act holds any Shares in Nordic Lights.

PRESENTATION OF NORDIC LIGHTS

All financial and other information presented in this Offer Document concerning Nordic Lights has been extracted from, and has been exclusively based upon, the annual report and audited financial statements published by Nordic Lights as at and for the year ended December 31, 2022, company releases published by Nordic Lights, entries in the Finnish trade register and other publicly available information. Consequently, the Offeror does not accept responsibility for such information except for the accurate reproduction of such information herein.

General Overview

Nordic Lights is a public limited liability company (business ID 3209111-1) incorporated under the laws of Finland with its shares admitted to trading on Nasdaq First North. Nordic Lights is domiciled in the municipality of Pedersöre, Finland, and its registered address is Bennäsvägen 155, FI- 68600, Pietarsaari.

Nordic Lights, based in Pietarsaari, Finland, has paved its way as a global premium supplier of high-quality lighting solutions for heavy-duty equipment in several demanding industrial sectors. Nordic Lights focuses on providing solutions mainly to five end-user segments: mining, construction, forestry, agriculture and material handling. Nordic Lights' mission is to enable the safe and efficient use of equipment. With three decades of experience Nordic Lights works with the most demanding manufacturers of machinery from design to production and aftermarket support. Nordic Lights' revenue in 2022 was EUR 82 million. The Company employs around 300 employees globally.

Shares and Share Capital

As at the date of this Offer Document, the registered share capital of Nordic Lights amounts to EUR 12,663,301 and the number of issued shares in Nordic Lights is 20,957,962, of which none are held in treasury. The shares in Nordic Lights have no nominal value. The articles of association of Nordic Lights do not include provisions on the minimum or maximum amount of share capital.

Nordic Lights has one class of shares. The shares in Nordic Lights are entered into the Finnish book-entry securities system. Each Share entitles its holder to one vote at each general meeting of shareholders of Nordic Lights. All Shares give equal rights to dividends and other distributable funds by Nordic Lights. The articles of association of Nordic Lights do not include any provisions or restrictions on voting rights that deviate from provisions of the Finnish Companies Act.

Ownership Structure

The following table sets forth the eleven largest shareholders of Nordic Lights and their ownership of all issued shares and voting rights in Nordic Lights according to the shareholders' register maintained by Euroclear Finland Oy ("Euroclear Finland") as at February 28, 2023.

	Number of shares	Percent of shares and votes
Sponsor Fund IV Ky	7,664,065	36.57
Elo Mutual Pension Insurance Company	2,162,086	10.32
Oy Purmo Autic Ab	1,473,000	7.03
Ilmarinen Mutual Pension Insurance Company	936,254	4.47
Danske Invest Finnish Equity Fund	671,946	3.21
Evli Finland Select Fund	538,309	2.57
Thomasset Oy	498,007	2.38
Varma Mutual Pension Insurance Company	400,000	1.91
Veritas Pension Insurance Company Ltd.	400,000	1.91
Tiuraniemi Reijo Tapio	397,618	1.90
Oy Wedeco Ab	397,618	1.90
Eleven largest shareholders in total	15,538,903	74.14
Other shareholders	5,419,059	25.86
Treasury shares	-	-
Total	<u>20,957,962</u>	<u>100.00</u>

Treasury Shares

To the knowledge of the Offeror, Nordic Lights and its subsidiaries do not hold any treasury shares as at the date of this Offer Document.

Stock Options and Other Special Rights Entitling to Shares

To the knowledge of the Offeror, Nordic Lights has no issued or outstanding stock options or other special rights entitling to shares. However, the unanimous shareholders of Nordic Lights have on June 15, 2022 authorized the Board of Directors of the Company to decide on the issuance of shares and special rights entitling to shares (see “– *Authorizations – Authorization Regarding the Issuance of Shares and Special Rights Entitling to Shares*” below).

As at the date of this Offer Document, Nordic Lights does not have any share-based long-term incentive plans.

Authorisations

Authorisation Regarding the Issuance of Shares and Issuance of Special Rights Entitling to Shares

On June 15, 2022, the Board of Directors of the Company was authorized by a written resolution of unanimous shareholders to resolve on the issuance of shares and the issuance of special rights entitling to shares referred to in Chapter 10 Section 1 of the Finnish Companies Act. The authorization concerns both the issuance of new shares as well as the transfer of treasury shares. The total number of shares to be issued under the authorization may not exceed 3,000,000 shares, which corresponds to approximately 14.3 percent of all the shares in Nordic Lights.

The Board of Directors of the Company is authorized to resolve on all other terms and conditions of the issuance of shares and of special rights entitling to shares, including the rights to derogate from the pre-emptive right of the shareholders.

The authorization is valid until the earlier of the close of the next annual general meeting and June 30, 2023.

Authorisation Regarding the Acquisition of Own Shares

On June 15, 2022, the Board of Directors of the Company was authorized by a written resolution of unanimous shareholders to resolve on the acquisition of the Company’s own shares. The total number of shares to be acquired may not exceed 3,000,000 shares, which corresponds to approximately 14.3 percent of all the shares in Nordic Lights.

Based on the authorization, purchases of own shares may be made at a price formed in public trading on the date of the repurchase or otherwise at a price formed on the market. Only the unrestricted equity of the Company can be used to acquire own shares on the basis of the authorization.

The Board of Directors of the Company will resolve on the manner of acquiring own shares, and that derivative instruments, among others, may be used in the acquisition. The acquisition of shares could also be carried out in deviation from the shareholders’ pre-emptive rights (directed acquisition).

The authorization is valid until the earlier of the close of the next annual general meeting and June 30, 2023.

Shareholders’ Agreements and Certain Other Agreements

The Offeror is not aware of any shareholders’ agreements or other agreements or arrangements concerning the use of voting power or shareholding in Nordic Lights or containing information that would materially affect the assessment of the benefits of the Offer.

Board of Directors, CEO and Auditor

In accordance with the provisions of the Finnish Companies Act, the Board of Directors of Nordic Lights is responsible for the Company’s management and the proper organization of its operations.

According to the articles of association of Nordic Lights, the Company shall have a Board of Directors consisting of a minimum of four (4) and maximum of eight (8) members. The annual general meeting of shareholders of Nordic Lights elects the members of the Board of Directors. As at the date of this Offer Document, the Board of Directors consists of the following persons: Göran Carlson (Chairman), Thomas Sandvall, Päivi Lindqvist, Sami Heikkilä, Jyrki Perttunen, Risto Siivonen and Caj-Anders Skog.

Pursuant to the Finnish Companies Act, the CEO is appointed by the Board of Directors of the Company. As at the date of this Offer Document, the CEO of Nordic Lights is Tom Nordström.

The auditor of Nordic Lights is KPMG Oy Ab, with Hans Erik Bertell, Authorised Public Accountant, as the responsible auditor.

Nordic Lights' Ownership in the Offeror

To the knowledge of the Offeror, Nordic Lights does not own any shares or securities entitling to shares in the Offeror or in any party related to the Offeror in the manner referred to in Chapter 11, Section 5 of the Finnish Securities Markets Act.

Financial Information

The audited consolidated financial statements of Nordic Lights as at and for the financial year ended December 31, 2022 and the Board of Directors' report as at and for the financial year ended December 31, 2022 are included in this Offer Document (see "*Annex A: Financial Information of Nordic Lights*") in the form published by Nordic Lights.

Future Prospects Published by Nordic Lights

The future prospects of Nordic Lights have been described in Nordic Lights' audited consolidated financial statements as at and for the financial year ended December 31, 2022. See "*Annex A: Financial Information of Nordic Lights*."

Articles of Association

The articles of association of Nordic Lights are included in this Offer Document. See "*Annex B: Articles of Association of Nordic Lights*".

FINANCIAL INFORMATION OF NORDIC LIGHTS

The Board of Directors' report and the audited consolidated financial statements published by Nordic Lights as at and for the year ended December 31, 2022 as they have been included in this Offer Document, are based on information made public by Nordic Lights. The Offeror does not accept any responsibility for such information except for the accurate reproduction of such information in this Offer Document.

Index to Financial Information

- Board of Directors' report and the audited consolidated financial statements published by Nordic Lights as at and for the financial year ended December 31, 2022.

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REPORT OF THE BOARD OF DIRECTORS

Nordic Lights continued to deliver good growth in 2022, with net sales increasing by 24% to EUR 82.4 million from the previous year. The company retains a clear focus on operational excellence: Active pricing efforts, successful cost management, increasing production efficiency, and broadening of the supplier network, which further enhanced profitability throughout 2022, following successful efforts commenced in 2021.

2022 HIGHLIGHTS

- Net sales increased by 24% and totaled EUR 82.4 million (66.3)
- EBITA increased by 46% and totaled EUR 12.2 million (8.4)
- EBITA margin was 14.8% (12.6%)
- Adjusted EBITA increased by 50% and totaled EUR 13.4 million (8.9)
- Adjusted EBITA margin was 16.3% (13.5%)
- Operating profit increased by 69% and totaled EUR 9.0 million (5.3)
- Operating profit margin was 10.9% (8.0%)
- Net cash flow from operating activities were EUR 11.3 million (-2.1)
- The balance sheet totaled EUR 73.8 million (63.7)
- Trading of the shares of Nordic Lights Group Corporation commenced on Nasdaq First North Growth Market in Finland on 5 July 2022

NORDIC LIGHTS IN BRIEF

Nordic Lights, based in Jakobstad, Finland, has paved its way as a global premium supplier of high-quality lighting

solutions for heavy-duty equipment in several demanding industrial sectors. Nordic Lights' mission is to enable the safe and efficient use of equipment. With three decades of experience Nordic Lights works with the most demanding manufacturers of machinery from design to production and aftermarket support.

Nordic Lights is headquartered in Jakobstad, Finland, with production facilities in Jakobstad and in China and offices/representatives on four continents. Nordic Lights Group Corporation is the parent company in the Group consisting of the following companies: Sponbeam Ltd, Nordic Lights Ltd, Nordic Lights NA., Inc. (USA), Nordic Lights (Suzhou) Co. Ltd. (China), Herrmans Nordic Lights GmbH (Germany), Nordic Lights APAC PTE Ltd (Singapore), and Sandsund Lights Ltd.

Nordic Lights Group Corporation was founded when Sponfyr Ltd demerged 30 September 2021, into two companies, Nordic Lights Group Corporation (former Sponled Ltd) and Sponspeed Ltd.

MARKET OVERVIEW

Nordic Lights operates in the global heavy-duty equipment lighting market. The addressable market includes work lights, driving lights and signal lights for five end-user segments; construction, agriculture, mining, forestry and material handling. Long-term growth drivers for the market are the strong demand for heavy-duty vehicles due to infrastructure development and urbanization, the increasing number of lights per vehicle

to improve safety and efficiency, and the continuing transition to LED technology.

Nordic Lights has an established position in both the OEM and aftermarket channels. The OEM channel includes lights that are mounted on the equipment during manufacturing. The aftermarket channel includes spare parts used to upgrade equipment or repair and upgrade installed equipment. The aftermarket channel includes both original equipment spare parts and spare parts of the supplier network, which further are used either to upgrade existing lights or to repair or replace broken lights. Independent spare parts include white-label spares as well as upgrades sold independently to end-users without going via an OEM.

The company's core addressable market is estimated to be approximately EUR 1.1 billion. In recent years, average annual market growth has been estimated to have been around 4-5 percent (Source: International management consultant analysis in spring 2021, commissioned by Nordic Lights). Nordic Lights has significantly outpaced the market and its market share has risen to approximately 8% (2021: 6%, 2016: 3%, company estimate).

Nordic Lights expect overall market demand to be weaker in 2023, but to still to remain at a historically high level. There is an overall uncertainty in general market conditions and it is hard to predict the impact from potential changes in inflation, cost of energy, component availability or further escalation of geopolitical tensions.

STRATEGY

Nordic Lights strives to be the leading premium supplier of high-quality work, driving and signal lights for heavy-duty equipment to OEMs and the aftermarket.

Strategic focus areas:

- **Continued growth in core business:** Nurture the position as a premium player in the heavy-duty equipment lighting market by growing the core business both by expanding the share of wallet within current OEM customers and targeting new landmark OEM customers.
- **Growth in the aftermarket:** Establish a stronger position in the aftermarket.
- **Expansion in new markets:** Seek additional growth in adjacent markets, end-user segments and product categories, by expanding the product portfolio and market activities.
- **M&A:** Consider mergers and acquisitions as an additional avenue for further accelerating growth.
- **Continued improvement of operations:** Continue to invest in increased level of automation and efficiency in production, as well as continue significant investments in R&D. Operational excellence and continued improvement as part of the corporate culture and ways of working.

MEDIUM AND LONG-TERM FINANCIAL TARGETS

Nordic Lights has the following medium and long-term financial targets:

- **Growth:** Annual organic net sales growth of over 10 percent on average. Growth can be further accelerated via selected mergers and acquisitions, in line with Nordic Lights' strategy.
- **Profitability:** Adjusted EBITA margin above 18 percent.

- **Leverage:** Net debt in relation to adjusted EBITDA below 2.0x. Target may temporarily be exceeded, for example in conjunction with acquisitions.

FINANCIAL PERFORMANCE

In 2022, net sales increased by 24.3% to EUR 82.4 million. Net sales increased in all end-industries, especially in agriculture, and in all regions.

Net sales

(EUR million)	1-12/2022	1-12/2021	Change
EMEA	36.8	28.6	28.7%
APAC	21.3	17.7	20.5%
North America	20.9	16.9	23.9%
South America	3.4	3.1	7.6%
Total	82.4	66.3	24.3%

(EUR million)	1-12/2022	1-12/2021	Change
Construction	38.2	33.2	15.3%
Mining	17.3	16.9	2.5%
Agriculture	15.4	7.2	114.6%
Forestry	4.6	3.7	23.8%
Material handling	5.2	4.3	19.9%
Other	1.8	1.1	59.0%
Total	82.4	66.3	24.3%

Nordic Lights continued to see strong demand especially in agriculture, where new business has been successfully ramped up during the year. Robust growth in the construction industry continued to be driven by the infrastructure business and projects in the energy sector, including renewables. Forestry and material handling businesses developed as expected. The small increase in mining net sales were driven by customers' efforts to optimize their stock levels following large orders placed during 2021 and first half of 2022. Overall, despite seasonality, there is a good underlying development in the mining industry.

The business impact of the exit from Russia has remained limited, and mostly affected the mining business. Similarly, the impacts of the continued COVID-19 pandemic in China have been successfully mitigated and remained very limited.

Overall, approximately 70% of the sales typically come from OEM key accounts, while the aftermarket represents around 30% of net sales. Nordic Lights' customer base is diverse and spans across four continents, serving various end-industries, including leading OEMs and small-to-medium-sized OEMs and distributors. Over the past five years, the company has gained new key accounts and significantly grown its market share. Additionally, a significant portion of Nordic Lights' net sales are recurring, while project-based sales make up a relatively small portion of overall net sales.

Profitability

Gross margin increased with 34% and totaled EUR 28.7 million (21.4). Gross margin in % of net sales increased with 2.5%-units to 34.8% compared to 2021.

Nordic Lights gross margins were in the second half year of 2021 negatively impacted by the rapidly increasing costs of raw material, components, and freight costs. Mitigating actions including an active pricing strategy and different supply chain measures were implemented, with a positive effect during 2022. Activities to compensate the impact from cost inflation will continue in 2023.

Adjusted EBITA increased with 50% and totaled EUR 13.4 million (8.9). Adjusted EBITA margin in % of net sales increased with 2.8%-units to 16.3% compared to 2021.

The increase in net sales in combination with the improved gross margin are the reasons for the improved adjusted EBITA margins.

Nordic Lights' financial expenses for 2022 amounted to EUR 1.9 million (2.3) and included listing costs of EUR 1.1 million in 2022.

Profit before taxes in 2022 was EUR 7.1 million (3.0) and net profit for the period was EUR 4.6 million (1.6).

The total listing cost amounted to EUR 2.8 million, out of which EUR 0.5 million affected 2021 year's result and EUR 2.3 million 2022 result. Out of the EUR 2.3 million, EUR 1.2 million is included in other operating expenses and EUR 1.1 million in financial expenses.

Further potential for profitability improvement

Nordic Lights will continue to focus on operational excellence, improve profitability and increase efficiency with the aim of progressing towards the medium and long-term target, an adjusted EBITA margin of over 18%.

The company sees opportunities to further automate assembly and testing to increase production efficiency and speed up deliveries. By optimizing supply chain management and procurement practices as well as by increasing the share of local procurement, the company may increase its negotiating power, shorten its supply chains, and reduce transport costs.

Financial position and cash flow

The balance sheet totaled at the end of the review period EUR 73.8 million (63.7), of which equity constituted EUR 37.4 million (18.0).

The company received EUR 15.1 million gross proceeds from the offering, of which EUR 5.0 million was used to repay non-current debt. As a result the Group's net debt

was at end of December EUR 3.8 million (26.6). Interest-bearing liabilities were 22.1 million (29.5)

During the period January – December 2022, the Group's net cash flow from operating activities amounted to EUR 11.3 million (-2.1). Cash and cash equivalents amounted to EUR 18.3 million (2.9) at the end of the year.

The strong cash flow is a result of a strong profit in combination with a decrease of net working capital.

Net debt/adjusted EBITDA was 0.2x. Nordic Lights' long term target is to keep net debt/adjusted EBITDA below 2x.

At the end of the review period the Group's Equity ratio was 50.7% (28.2). Adjusted return on capital employed (ROCE) was 62.8% (44.2).

Investments

Nordic Lights' investments during January – December amounted to EUR 1.9 million (3.6) and were mainly related to production machinery and tooling and R&D capitalization.

RESEARCH AND DEVELOPMENT

R&D expenditure in January - December totaled EUR 2.9 million (2.3), of which EUR 0.5 million (0.4) was capitalized as development costs in intangible assets. R&D costs accounted for 3.5% (3.5%) of Net sales.

Nordic Lights has a very strong lighting technology know-how and solid experience from collaborating with demanding customers and meeting their requirements. Our experienced in-house R&D organization covers electronic, optical, and mechanical design. With the help of advanced simulation tools, we support our customers to choose the optimal light set-up for their equipment.

In recent years, Nordic Lights has taken measures with regards to development of smart lighting solutions, increased energy efficiency of lights and development of more environmentally friendly products. Continuous research for cost-effective product design with increased technical performance, such as optimized lighting properties has high priority. In Q4, Nordic Lights expanded its offering of driving lights with new LED technology (Sculptor 2). LED penetration has recently increased also in the driving lights category, which represents an opportunity for Nordic Lights.

SUSTAINABILITY

Nordic Lights' mission is to enable the safe and efficient use of heavy-duty machinery. Sustainability – taking care of the environment, people and business – is part of this mission. We have an impact on society through our upstream supply chain, our own factories and our lights. We want to stand out in our industry by providing lights that have a small negative impact and a large positive impact on the environment and people.

We accelerated our sustainability work in 2022. We defined the most material sustainability topics for our business, set goals, created a plan of action, and took steps towards more sustainable lighting solutions. Nordic Lights' sustainability is based on UN's Sustainable Development Goals:

- 3. Good health and well-being,
- 9. Industry, innovation and infrastructure,
- 12. Responsible consumption and production.

These three goals guide our sustainability actions.

Most of our lights use LED technology, which is much more energy efficient and longer lasting compared to halogen bulbs. We actively develop our products by using sustainable materials and components that are higher in quality and last longer.

It is essential that lights are used where they are needed. Optimal lighting means reducing unnecessary light pollution and glare. This is possible with our well-targeted lighting.

The majority of our own carbon emissions come from our factories. We calculate the carbon footprint of our factories annually, and we aim for the carbon neutrality of our Finnish factory by 2024. This is based on the Greenhouse Gas Protocol scopes 1 and 2. We also aim to improve energy efficiency of the factory. The energy used is carbon neutral, which is one step towards our carbon neutrality goals.

In addition to environmental sustainability, we take care of our people and develop the working conditions in our factories. We improve the health and safety of our employees by risk monitoring, risk assessments and safety trainings. In 2023, we will adopt the ISO 45001 standard, which will guide us in creating a management system that fosters safe and healthy workplaces. All our employees are committed to our Code of Conduct.

Our sustainability is not only limited to our own actions. Instead, we work closely with our suppliers to improve their sustainability. Every new supplier is required to sign the Supplier Code of Conduct.

PERSONNEL

At the end of the review period, Nordic Lights had 271 employees (excluding rental employees). Since beginning of 2021 the number of personnel has increased with 81 people.

SHARES AND SHAREHOLDERS

Trading of the shares of Nordic Lights Group Corporation commenced on Nasdaq First North Growth Market Finland on 5 July 2022. The company has a single series of shares, and each share entitles its holder to one vote in the General Meeting of shareholders of the company. The subscription price for the Offer Shares was EUR 5.02 per share in the Public Offering and the Institutional Offering, and EUR 4.52 per share in the Personnel Offering. The trading code is NORDLIG and the ISIN code is FI4000518345.

BOARD'S AUTHORISATIONS

The Board has a valid authorization for a paid directed share issue. According to the authorization a maximum of 3,000,000 new shares of the company may be issued, deviating from the shareholders' pre-emptive rights, if there is a compelling reason for this. The authorization is valid until the close of the next annual general meeting, however, no longer than until 30 June 2023.

NORDLIG	31.12.2022
No. of shares and votes	20,957,962
Share turnover, EUR million (5.7.2022-31.12.2022)	23.7
Market value, EUR million	91.0
Number of shareholders, excl. nominee reg.	1,210
Foreign ownership, %	9%

Share price, EUR	5.7.2022–31.12.2022
Highest	5.30
Lowest	3.72
Closing	4.34
Average price, volume-weighted	4.86

Major registered shareholders, as of 31 December 2022	Number of shares	% of shares
Sponsor Fund IV Ky	7,664,065	36.57
Elo Mutual Pension Insurance Company	2,162,086	10.32
Purmo Autic Oy Ab	1,473,000	7.03
Ilmarinen Mutual Pension Insurance Company	936,254	4.47
Danske Invest Finnish Equity Fund	690,786	3.30
Evli Finland Select Fund	520,000	2.48
Thomasset Oy	498,007	2.38
Veritas Pension Insurance Company Ltd.	400,000	1.91
Varma Mutual Pension Insurance Company	400,000	1.91
Tiuraniemi Reijo	397,618	1.90
Oy Wedeco Ab	397,618	1.90

BOARD OF DIRECTORS, MANAGEMENT TEAM, AND AUDITOR

On 31 December 2022, the company's Board of Directors consisted of the following members: Göran Carlson (Chair), Sami Heikkilä, Päivi Lindqvist (from 5.7.2022), Jyrki Perttunen, Thomas Sandvall, Risto Siivonen and Caj-Anders Skog.

The Nordic Light Group's Management Team consisted of the following persons:

- **Tom Nordström**, CEO
- **Ann-Louise Brännback**, CFO
- **Helen Dahl**, HR Manager
- **Matti Leipälä**, Operational Excellence Manager
- **Jyrki Mikkola**, Research & Development Director
- **Tomas Skott**, Production & Supply Chain Director
- **Antti Turja**, Sales and Marketing Director

Nordic Light Group's statutory auditor is KPMG Oy Ab, Authorized Public Accountants, with Authorized Public Accountant Hans Bertell as the auditor with principal responsibility.

RISKS AND RISK ASSESSMENT

The uncertainty in the global markets, overall geopolitical tension and the general cost increase might have a negative impact on the global economy. This might have impact on the investments in new equipment in several end-user segments.

Fluctuations in component prices and disruptions in their availability may have an adverse effect on Nordic Lights' profitability. The components needed by Nordic Lights in its production include, for example, electronic components, housings, brackets and optics. Price increases of components may result in higher manufacturing costs. Further, the prices and availability of components depend on factors beyond Nordic Lights' control, such as global supply chains, production capacity, disruptions in infrastructure, regulation, export restrictions, political stability, level of import duties, demand among other users and currency exchange rates.

If Nordic Lights is not successful in recruiting and retaining qualified personnel and key personnel, this may affect its competitive position and ability to grow capacity.

Further information on the company's main strategic, operative and financial risks is described in detail in the offering circular, which was published on 27 June 2022 and is available on the corporate website.

EVENTS AFTER THE REVIEW PERIOD

There have not been any material events after the review period.

GUIDANCE FOR FINANCIAL YEAR 2023

Following rapid net sales growth in both 2022 (24.3%) and 2021 (51.9%), mostly driven by gains in market share, Nordic Lights continues to see opportunities to strengthen its market position in 2023, but the overall market demand is expected to be weaker, in particular during the first half of 2023. Furthermore, in 2022 profitability increased significantly mainly due to successful mitigation of cost inflation and increased production efficiency, and the company sees opportunities for further margin improvement also for the full year 2023.

The company has issued the following guidance for 2023:

- Nordic Lights net sales is expected to remain at approximately previous year's level (2022: EUR 82.4 million). Particularly in Q1 2023, and also in Q2 2023, net sales is expected to be below corresponding Q1 and Q2 2022 levels, while H2 2023 net sales is expected to be above H2 2022 levels.
- Full year 2023 adjusted EBITA-% is expected to be above previous year.

ANNUAL GENERAL MEETING

Nordic Lights' Annual General Meeting is planned to be held on Thursday, April 20, 2023.

THE BOARD'S PROPOSAL TO THE ANNUAL GENERAL MEETING

The parent company's non-restricted equity on 31 December 2022 is EUR 17,878,042 of which the profit for the financial year is EUR 2,867,081.

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.12 per share be paid from the parent company's profit for the financial year and the remaining of the profit for the year be transferred to retained earnings. According to the proposal, a total of EUR 2,514,955 would be paid in dividend.

FINANCIAL RATIOS

FAS 1,000 EUR	2022	2021	2020	2019
Income statement and profitability				
Net sales	82,448 ¹	66,337 ¹	43,665 ¹	44,578 ¹
Change in net sales, %	24.3	51.9	-2.0	3.4
Gross margin	28,652	21,374	16,834	16,240
Gross margin, % of net sales	34.8	32.2	38.6	36.4
EBITDA	14,272	9,996	8,562	6,837
EBITDA, %	17.3	15.1	19.6	15.3
Adjusted EBITDA	15,463	10,555	8,562	6,837
Adjusted EBITDA, %	18.8	15.9	19.6	15.3
EBITA	12,238	8,378	6,959	5,452
EBITA, %	14.8	12.6	15.9	12.2
Adjusted EBITA	13,428	8,937	6,959	5,452
Adjusted EBITA, %	16.3	13.5	15.9	12.2
EBIT	8,962 ¹	5,320 ¹	3,909 ¹	2,401 ¹
EBIT, %	10.9	8.0	9.0	5.4
Adjusted EBIT	10,152	5,878	3,909	2,401
Adjusted EBIT, %	12.3	8.9	9.0	5.4
Return on capital employed (ROCE), %	21.3	12.4	8.6	4.9
Adjusted return on capital employed (ROCE), %	62.8	44.2	35.8	25.9
Research and development expenses	2,863	2,332	2,149	2,064
Research and development expenses, % of net sales	3.5	3.5	4.9	4.6

FAS 1,000 EUR	2022	2021	2020	2019
Gross capital expenditure	1,899	3,645	1,639	3,665
Gross capital expenditure, % of net sales	2.3	5.5	3.8	8.2
Balance sheet and solvency				
Capital employed	41,243	44,581	43,411	47,373
Adjusted capital employed	21,329	21,419	19,006	19,917
Net interest bearing debt	3,816	26,589	27,115	30,869
Net interest bearing debt/Adjusted EBITDA, 12 kk	0.2	2.5	3.2	4.5
Equity ratio, %	50.7	28.2	25.1	26.4
Net gearing, %	10	148	166	187
Personnel				
Personnel, average	296	237	185	194
Personnel, at the end of the period	271	275	190	181
Per share data				
Earnings per share	0.23	0.09	0.03	-0.02
Number of shares at end of year	20,957,962	17,940,430	17,940,430	17,940,430

¹ Audited

CALCULATION OF CERTAIN ALTERNATIVE PERFORMANCE MEASURES AND OTHER KEY FIGURES

Alternative performance measure	Definition	Purpose of use
Change in net sales (%) = $\frac{\text{Change in net sales during the financial year}}{\text{Net sales for the previous financial year}}$		Change in net sales indicates the development of Nordic Lights' operations.
Gross margin = $\frac{\text{Net sales} - \text{direct material and direct labor}}{\text{Net sales}}$		Gross margin is a measure used to assess Nordic Lights' efficiency at using its labor resources and supplies in producing goods and service.
Gross margin, % of net sales (%) = $\frac{\text{Gross margin}}{\text{Net sales}} \times 100$		Gross margin is a measure used to assess Nordic Lights' efficiency at using its labor resources and supplies in producing goods and service.
EBITDA = $\frac{\text{Operating profit} + \text{Depreciation and amortization of tangible and intangible assets} + \text{amortization of consolidated goodwill}}{\text{Net sales}}$		EBITDA is an internal measure used to assess Nordic Lights' performance.
EBITDA margin (%) = $\frac{\text{EBITDA}}{\text{Net sales}} \times 100$		EBITDA is an internal measure used to assess Nordic Lights' performance.
Adjusted EBITDA = $\frac{\text{EBITDA} + \text{items affecting comparability}}{\text{Net sales}}$		Adjusted key figures are used to improve the comparability between different periods.
Adjusted EBITDA margin (%) = $\frac{\text{Adjusted EBITDA}}{\text{Net sales}} \times 100$		Adjusted key figures are used to improve the comparability between different periods.
EBITA = $\frac{\text{Operating profit} + \text{amortization of consolidated goodwill}}{\text{Net sales}}$		EBITA is an internal measure used to assess Nordic Lights' performance.
EBITA margin (%) = $\frac{\text{EBITA}}{\text{Net sales}} \times 100$		EBITA is an internal measure used to assess Nordic Lights' performance.
Adjusted EBITA = $\frac{\text{EBITA} + \text{items affecting comparability}}{\text{Net sales}}$		Adjusted key figures are used to improve the comparability between different periods.
Adjusted EBITA margin (%) = $\frac{\text{Adjusted EBITA}}{\text{Net sales}} \times 100$		Adjusted key figures are used to improve the comparability between different periods.
Operating profit margin (%) = $\frac{\text{Operating profit}}{\text{Net sales}} \times 100$		Operating profit margin is an internal measure used to assess Nordic Lights' performance.
Adjusted operating profit = $\frac{\text{Operating profit} + \text{items affecting comparability}}{\text{Net sales}}$		Adjusted key figures are used to improve the comparability between different periods.

Alternative performance measure	Definition		Purpose of use
Adjusted operating profit margin (%)	$= \frac{\text{Adjusted EBIT}}{\text{Net sales}}$	x 100	Adjusted key figures are used to improve the comparability between different periods.
Return on capital employed (ROCE) (%)	$= \frac{\text{Profit before taxes + financial expenses (rolling 12 months)}}{\text{Equity + net interest bearing debt, average of the financial period}}$	x 100	Return on capital employed is an internal indicator to evaluate capital employed and to assess different businesses and opportunities, taking into account the capital they require.
Adjusted return on capital employed (ROCE) (%)	$= \frac{\text{Adjusted EBITA (rolling 12 months)}}{\text{Equity + net interest bearing debt – goodwill, average of the financial period}}$	x 100	Return on capital employed is an internal indicator to evaluate capital employed and to assess different businesses and opportunities, taking into account the capital they require.
Research and development expenses	Personnel expenses of research and development personnel as well as other expenses related to the research and development work, including capitalized product development expenses		Research and development expenses indicate Nordic Lights' investments in research and development work, including capitalized product development expenses.
Research and development expenses, % of net sales (%)	$= \frac{\text{Research and development expenses}}{\text{Net sales}}$	x 100	Research and development expenses indicate Nordic Lights' investments in research and development work, including capitalized product development expenses.
Purchase of tangible and intangible assets, % of net sales (%)	$= \frac{\text{Purchase of tangible and intangible assets + other investments}}{\text{Net sales}}$	x 100	The key figure provides additional information on the cash flow needs of the organic business.
Capital employed	Equity + net interest bearing debt		Capital employed is a measure used to assess Nordic Lights' invested capital, in addition, it is used to calculate the return on capital employed.
Adjusted capital employed	Capital employed – consolidated goodwill		Capital employed is a measure used to assess Nordic Lights' invested capital, in addition, it is used to calculate the return on capital employed.
Net interest bearing debt	Loans from financial institutions + convertible loans - cash and cash equivalents		Net interest bearing debt and adjusted EBITDA describes on the financial stability of Nordic Lights.
Net interest bearing debt/Adjusted EBITDA (ratio)	$= \frac{\text{Net interest bearing debt}}{\text{Adjusted EBITDA}}$		Net interest bearing debt and adjusted EBITDA describes on the financial stability of Nordic Lights.
Equity ratio (%)	$= \frac{\text{Equity total}}{\text{Total assets – advances received}}$	x 100	Equity ratio describes the financial risk level and is a useful measure for Nordic Lights' management to monitor the capital required for its business operations.
Net gearing (%)	$= \frac{\text{Net interest-bearing debt}}{\text{Equity}}$	x 100	Net gearing describes the indebtedness of Nordic Lights.
Earnings per share	$= \frac{\text{Profit for the financial year}}{\text{Adjusted average number of shares}}$		

GROUP INCOME STATEMENT

1,000 EUR	Note	1.1–31.12.2022	Carve-out 1.1–31.12.2021	30.9–31.12.2021
Net sales	1.	82,448	66,337	18,039
Change in stocks of finished and work-in-progress products (+/-)		64	855	351
Other operating income	2.	8	14	8
Materials and services	3.			
Raw materials and consumables				
Purchases during the period		-43,973	-44,820	-13,826
Increase (-) or decrease (+) in inventories		-1,233	5,436	1,957
External services		-1,971	-1,839	-442
Total materials and services		-47,178	-41,224	-12,311
Personnel expenses	4.			
Wages and salaries		-12,376	-9,992	-2,924
Social security expenses				
Pension expenses		-2,080	-1,666	-514
Other social security expenses		-512	-364	-138
Total personnel expenses		-14,967	-12,021	-3,576

1,000 EUR	Note	1.1–31.12.2022	Carve-out 1.1–31.12.2021	30.9–31.12.2021
Depreciation, amortization and impairment	5.			
Depreciation and amortization according to plan		-5,311	-4,677	-1,328
Total depreciation, amortization and impairment		-5,311	-4,677	-1,328
Other operating expenses	6.	-6,103	-3,965	-1,339
Operating profit / Loss		8,962	5,320	-156
Financial income and expenses	7.			
Other interest income and other financial income		161	119	50
Interest expense and other financial expenses		-2,032	-2,439	-740
Total financial income and expenses		-1,870	-2,320	-689
Profit / Loss before appropriations and taxes		7,092	2,999	-845
Income taxes	8.	-2,527	-1,359	-134
Profit / Loss for the period		4,565	1,640	-980

GROUP BALANCE SHEET

1,000 EUR	Note	31.12.2022	31.12.2021
Assets			
Fixed assets			
Intangible assets			
Development expenditure	9.	1,217	811
Goodwill	10.	19,914	23,162
Other intangible assets	9.	623	366
Total intangible assets		21,754	24,340
Tangible assets			
Land and waters	9.	140	73
Buildings and constructions		2,988	3,097
Machinery and equipment		5,201	5,432
Advance payments and construction in progress		1,063	1,590
Total tangible assets		9,393	10,191
Investments			
Other shares and similar rights of ownership	11.	98	111
Total investments		98	111
Total fixed assets		31,245	34,642
Current assets			
Inventories			
Raw materials and consumables	12.	8,328	9,568
Finished products / goods for resale		2,140	2,070
Total inventories		10,468	11,637
Short-term receivables			
Trade receivables		12,546	13,324
Other receivables		681	1,065
Prepayments and accrued income		526	163
Total short-term receivables		13,753	14,552

1,000 EUR	Note	31.12.2022	31.12.2021
Financial assets			
		4,000	
Cash and cash equivalents			
		14,315	2,861
Total current assets		42,536	29,050
Total assets		73,781	63,692
Equity and liabilities			
Equity			
	13.		
Share capital		12,663	12,663
Reserve for invested non-restricted equity		15,113	
Retained earnings		5,086	3,689
Profit of the year		4,565	1,640
Total equity		37,427	17,992
Liabilities			
Non-current liabilities			
	14.		
Loans from financial institutions		20,094	26,850
Long term provisions		55	
Total non-current liabilities		20,149	26,850
Current liabilities			
Loans from financial institutions		2,038	2,600
Accounts payable		9,506	10,822
Other liabilities		330	2,269
Accrued expenses and deferred income	15.	4,120	2,916
Deferred tax liabilities		211	242
Total current liabilities		16,205	18,849
Total liabilities		36,354	45,699
Total equity and liabilities		73,781	63,692

GROUP CASH FLOW STATEMENT

1,000 EUR	1.1–31.12.2022	Carve-out 1.1–31.12.2021	30.9–31.12.2021
Cash flow from operating activities			
Profit / loss before appropriations and taxes	7,092	2,999	-845
Adjustments for			
Depreciation and amortization according to plan	5,311	4,677	1,328
Financial income and expenses	1,870	2,377	689
Other adjustments	-246	112	185
Cash flow before working capital changes	14,027	10,165	1,358
Working capital changes			
Increase (-) / decrease (+) in trade and other short-term interest-free receivables	989	-4,688	-782
Increase (-) / decrease (+) in inventories	1,169	-6,291	-2,399
Increase (+) / decrease (-) in current interest-free liabilities	-635	5,420	767
Operating cash flow before financing items and taxes	15,550	4,607	-1,056
Interests and other financial expenses paid relating to operating activities	-2,029	-5,063	-4,634
Interest received relating to operating activities	136	61	33
Income taxes paid	-2,334	-1,665	-185
Net cash flow from operating activities	11,323	-2,060	-5,842

1,000 EUR	1.1–31.12.2022	Carve-out 1.1–31.12.2021	30.9–31.12.2021
Cash flow from investing activities			
Purchase of tangible and intangible assets	-1,899	-3,632	-887
Purchase of other investments	13	-13	-13
Proceeds from repayment of loans		3,735	2,085
Adjustment to purchase price of subsidiaries	-1,778	-130	9
Net cash flow from investing activities	-3,664	-40	1,194
Cash flow from financing activities			
Proceeds from paid in capital	15,113		
Proceeds from long-term loans		30,750	30,750
Repayment of long-term loans	-7,319	-38,001	-36,968
Net cash flow from financing activities	7,795	-7,251	-6,218
Net increase (+)/ decrease (-) in cash and cash equivalents	15,454	-9,351	-10,865
Cash and cash equivalents at the beginning of period	2,861	12,212	13,726
Cash and cash equivalents at the end of period	18,315	2,861	2,861

Short term financial assets have been included in cash and cash equivalents at the end of the period.

ACCOUNTING POLICIES

GROUP STRUCTURE

Nordic Lights Group Corporation was founded when Sponfyr Oy demerged, 30.9.2021, into two companies, Nordic Lights Oyj (former Sponled Ltd) and Sponspeed Ltd.

Nordic Lights Group Corporation is the parent company of Nordic Lights Group, that consist of the 100% owned companies: Sponbeam Ltd, Nordic Lights Ltd, Sandsund Lights Ltd, Nordic Lights NA Inc. (USA), Nordic Lights (Suzhou) Co Ltd (China), Herrmans Nordic Lights GmbH (Germany) and Nordic Lights APAC PTE Ltd (Singapore).

Finnish Accounting Principles ('FAS') have been applied in the preparation of the financial statements of Nordic Lights Group. The financial statements are prepared based on the principle of going concern and the acquisition cost method.

All Group companies are consolidated into the consolidated financial statements. No sub consolidated financial statements have been made for Nordic Lights Ltd; all companies have been directly combined with Nordic Lights Group Corporation's consolidated financial statements.

Copies of the consolidated financial statements are available at Nordic Lights Corporation's office at Pännäistentie 155, 68600 Jakobstad, Finland or online at www.nordiclights.com

COMPARATIVE FIGURES TO PREVIOUS PERIOD

The first financial period of Nordic Lights Group Corporation was 30.9-31.12.2021. Carve-out financial statements were made for the purpose of being incorporated into the offering circular. The carve-out financial statement for 2021 is based on the audited consolidated financial statements of Sponfyr Ltd for the period ending 30.9.2021 and the first three-month period audited consolidated financial statement of Nordic Lights Group Corporation. The carve-out financial statements were prepared by excluding historical income and expenses, assets and liabilities as well as cash flows of the Herrmans Bike Components business.

Both carve-out figures for 2021 and the official three months figures are presented as comparative figures in Nordic Lights Group Corporation's income and cash flow statements for the period 1.1.-31.12.2022.

BUSINESS OF THE NORDIC LIGHTS GROUP

Nordic Lights manufactures work, head, and signal lights for heavy-duty vehicles with a mission to provide visibility for safe operations. The company uses primarily energy-efficient LED technology and was among the first lighting manufacturers to introduce LED to the heavy-duty vehicle market in 2008. The company is one of the pioneers in the industry in innovation in lighting fixtures for heavy-duty machinery.

INTER-COMPANY TRANSACTIONS

In the financial statements inter-company business transactions between the companies of the Nordic Lights Group have been eliminated as well as asset and liability items.

INTERNAL OWNERSHIP

Consolidated financial statements have been prepared with the acquisition cost method. The difference between acquisition cost of subsidiaries and the acquired equity has been recognized in goodwill.

GOODWILL

Goodwill is amortized in 10 years.

DEFERRED TAX LIABILITIES

Deferred tax liabilities are calculated in respect of temporary differences between the taxation and the financial statements by applying the enacted tax rate on the balance sheet date. Deferred tax liabilities are presented in the current balance sheet items.

TRANSLATION DIFFERENCES

Income statements of foreign group companies have been converted into euros by using the average rate for the financial period and the balance sheets by using the exchange rate of the balance sheet date. Exchange difference arising from conversion, and translation difference arising from the conversion of the equity

of a foreign subsidiary, are recognized in 'retained earnings / losses'.

FOREIGN CURRENCY ITEMS

Receivables and liabilities denominated in foreign currencies have been translated to euros by using the exchange rate at the balance sheet date. Exchange differences related to tangible assets have been recognized as adjustment of the acquisition cost of the tangible asset.

MEASUREMENT OF INVENTORIES

Inventories have been recognized in the balance sheet at acquisition cost with using the FIFO-method or the lower replacement cost or probable selling price.

INTANGIBLE AND TANGIBLE ASSETS

The acquisition cost of tangible and intangible assets recognized in the balance sheet has been deducted with amortization and depreciation according to plan. The acquisition cost includes purchase price and directly attributable production costs. Subsidies received have been recognized as deduction to the acquisition cost. Amortization and depreciation according to plan are calculated, using the straight-line method, based on the useful life of the intangible and tangible assets.

Amortization and depreciation have been started at the month when the asset has been taken into use.

The amortization and depreciation periods are:

IT systems	3–5 years
Development expenditure	5 years
Other intangible assets	10 years
Goodwill	10 years
Machinery and equipment	5–10 years
Molds for LED work lights	4 years
Vehicles	5 years
ICT equipment	3 years
Buildings	25 –30 years
Constructions	15 years

Development expenditure generating income in several financial years have been capitalized. Development expenditure includes also the incomplete acquisitions. Other research and development expenditure have been expensed in the financial year in which those have been incurred.

Acquisition cost of fixed assets with probable useful life less than three years have been expensed in full in the acquisition period.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR OF 2022

The parent company's name was changed in February 2022 to Nordic Lights Group Ltd and to Nordic Lights Group Corporation in June 2022.

Nordic Lights Group Corporation's shares were listed in July 2022. The trade of the shares started on the First North Growth Market on July 5, 2022. Totally 3,017,532 new shares were issued.

The business impact of the exit from Russia has remained limited, and mostly affected the mining business. Similarly, the impacts of the continued COVID-19 pandemic in China have been successfully mitigated and remained very limited.

SIGNIFICANT EVENTS AFTER THE FINANCIAL YEAR

On December 14, 2022 the board of directors signed a merger-plan with Sponbeam Ltd. The planned merger between the two companies is registered on April 30, 2023.

NOTES TO GROUP INCOME STATEMENT

1. NET SALES BY MARKET AREA

1,000 EUR	2022	Carve-out 1.1–31.12.2021	30.9–31.12.2021
Market area			
APAC	21,337	17,713	4,559
EMEA	36,821	28,607	8,241
North America	20,921	16,885	4,624
South America	3,368	3,132	616
Total	82,448	66,337	18,039

Nordic Lights Group's business consists of manufacturing high-quality lights for heavy-duty equipment used in demanding conditions.

2. OTHER OPERATING INCOME

1,000 EUR	2022	Carve-out 1.1–31.12.2021	30.9–31.12.2021
Other income	8	14	8
Total	8	14	8

3. MATERIALS AND SERVICES

1,000 EUR	2022	Carve-out 1.1–31.12.2021	30.9–31.12.2021
Purchases during the period	43,973	44,820	13,826
Changes in inventories	1,233	-5,436	-1,957
External services	1,971	1,839	442
Total	47,178	41,224	12,311

4. PERSONNEL EXPENSES

1,000 EUR	2022	Carve-out 1.1–31.12.2021	30.9–31.12.2021
Wages and salaries	12,376	9,992	2,924
Pension expenses	2,080	1,666	514
Other social security expenses	512	364	138
Total	14,967	12,021	3,576

Pension expenses are recognized with applying each country's local legislation.

Average number of personnel during the financial year

	2022	Carve-out 1.1–31.12.2021	30.9–31.12.2021
Employees	296	237	237

Wages and salaries of directors and management

1,000 EUR	2022	Carve-out 1.1–31.12.2021	30.9–31.12.2021
Wages and salaries of the CEO and the members of the Boards of Directors	436	318	72

5. DEPRECIATION, AMORTIZATION AND IMPAIRMENT

1,000 EUR	2022	Carve-out 1.1.–31.12.2021	30.9–31.12.2021
Buildings and constructions	175	174	45
Machinery and equipment	1,730	1,378	493
Other long-term expenditure	129	67	27
Amortization of goodwill	3,276	3,058	765
Total	5,311	4,677	1,328

6. OTHER OPERATING EXPENSES

1,000 EUR	2022	Carve-out 1.1.–31.12.2021	30.9–31.12.2021
Premises expenses and other maintenance	799	607	198
Sales	706	339	76
Administrative expenses	2,202	1,772	231
Other operating expenses	2,395	1,246	834
Total	6,103	3,965	1,339

Auditor's fees

1,000 EUR	2022	Carve-out 1.1.–31.12.2021	30.9–31.12.2021
Audit	67	36	
Tax consulting	4	13	
Other services	307	88	79
Total	378	137	79

7. FINANCIAL INCOME AND EXPENSES

1,000 EUR	2022	Carve-out 1.1.–31.12.2021	30.9–31.12.2021
Dividend income	0	0	
Other financial income	161	119	50
Interest expense	848	1,932	237
Other financial expenses	1,184	507	503
Total	-1,870	-2,320	-689

8. INCOME TAXES

1,000 EUR	2022	Carve-out 1.1.–31.12.2021	30.9–31.12.2021
Current tax expense	2,557	1,359	134
Change in deferred tax liabilities	-30	0	0
Total	2,527	1,359	134

NOTES TO GROUP BALANCE SHEET

9. INTANGIBLE AND TANGIBLE ASSETS

Intangible assets

1,000 EUR	2022	2021
Development expenditure		
Acquisition cost on 1 January	823	377
Additions	446	446
Acquisition cost on 31 December	1,268	823
Accumulated amortization on 1 January	11	3
Amortization for the financial year	40	8
Accumulated amortization on 31 December	51	11
Carrying value on 31 December	1,217	811
IT-systems		
Acquisition cost on 1 January	602	438
Additions	338	164
Acquisition cost on 31 December	940	602
Accumulated amortization on 1 January	316	269
Amortization for the financial year	71	47
Accumulated amortization on 31 December	387	316
Carrying value on 31 December	553	286

1,000 EUR	2022	2021
Other long-term expenditure		
Acquisition cost on 1 January	215	216
Additions	9	4
Deductions	-2	-5
Acquisition cost on 31 December	222	215
Accumulated amortization on 1 January	135	123
Amortization for the financial year	18	12
Accumulated amortization on 31 December	152	135
Carrying value on 31 December	70	80
Total intangible assets	1,839	1,177

Tangible assets

1,000 EUR	2022	2021
Land and waters		
Acquisition cost on 1 January	73	73
Additions	68	0
Acquisition cost on 31 December	140	73
Carrying value on 31 December	140	73
Buildings and constructions		
Acquisition cost on 1 January	4,899	4,889
Additions	67	10
Acquisition cost on 31 December	4,966	4,899
Accumulated depreciation on 1 January	1,802	1,629
Depreciation for the financial year	175	174
Accumulated depreciation on 31 December	1,978	1,802
Carrying value on 31 December	2,988	3,097
Machinery and equipment		
Acquisition cost on 1 January	18,136	15,466
Additions	1,500	2,670
Acquisition cost on 31 December	19,636	18,136
Accumulated depreciation on 1 January	12,705	11,325
Depreciation for the financial year	1,730	1,379
Accumulated depreciation on 31 December	14,435	12,705
Carrying value on 31 December	5,201	5,432

1,000 EUR	2022	2021
Advance payments and construction in progress		
Acquisition cost on 1 January	1,590	1,236
Additions	966	2,499
Transfers between items	-1,492	-2,145
Carrying value on 31 December	1,063	1,590
Total tangible assets	9,393	10,191

10. GOODWILL

1,000 EUR	2022	2021
Acquisition cost on 1 January	32,322	30,507
Additions	28	1,815
Acquisition cost on 31 December	32,350	32,322
Accumulated amortization on 1 January	9,159	6,101
Amortization for the financial year	3,276	3,058
Accumulated amortization on 31 December	12,435	9,159
Carrying value on 31 December	19,914	23,162

11. INVESTMENTS

1,000 EUR	2022	2021
Other shares and similar rights of ownership		
Acquisition cost on 1 January	111	98
Additions	-13	13
Acquisition cost on 31 December	98	111
Other receivables		
Acquisition cost on 1 January	0	3,735
Decreases	0	-3,735
Acquisition cost on 31 December	0	0
Total investments	98	111

Group companies

Subsidiaries	Country of domicile	Ownership interest held by the group
Sponbeam Ltd	Finland	100%
Nordic Lights Ltd	Finland	100%
Sandsund Lights Ltd	Finland	100%
Herrmans Nordic Lights GmbH	Germany	100%
Nordic Lights NA Inc.	USA	100%
Nordic Lights (Suzhou) Co.	China	100%
Nordic Lights APAC PTE, LTD	Singapore	100%

12. INVENTORIES

1,000 EUR	2022	2021
Raw materials and consumables	8,328	9,568
Finished products / goods for resale	2,140	2,070
Total	10,468	11,637

13. EQUITY

1,000 EUR	2022	2021
Restricted equity		
Share capital on 1 January	12,663	12,663
Share capital on 31 December	12,663	12,663
Total restricted equity	12,663	12,663
Unrestricted equity		
Reserve for invested non-restricted equity on 1 January		
Additions	15,113	
Reserve for invested non-restricted equity on 31 December	15,113	
Retained earnings on 1 January	5,328	3,632
Translation differences	-216	102
Other corrections to retained earnings	-27	-46
Retained earnings on 31 December	5,086	3,689
Profit of the year	4,565	1,640
Total unrestricted equity	24,764	5,329
Total equity	37,427	17,992

Shares of the parent company

1,000 EUR	2022	2021
Shares of the parent company	20,957,962	17,940,430

All shares have similar rights, and each share entitles to one vote.

Boards proposal for the distribution of profit

The parent company's non-restricted equity on 31 December 2022 is EUR 17,878,042 of which the profit for the financial year is EUR 2,867,081.

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.12 per share be paid from the parent company's profit for the financial year and the remainder of the profit for the year be transferred to retained earning. According to the proposal, a total of EUR 2,514,955 would be paid in dividend.

14. NON-CURRENT LIABILITIES

1,000 EUR	2022	2021
Loans from financial institutions	20,094	26,850
Total	20,094	26,850

Covenants of the loans from financial institutions are based on debt-to-equity rate. The covenant was met when calculated based on the Financial Statements as of 31 December 2022.

1,000 EUR	2022	2021
Long term provisions	55	
Total	55	

15. MATERIAL ITEMS IN THE ACCRUED EXPENSES AND DEFERRED INCOME

1,000 EUR	2022	2021
Wages and salaries including social security costs	2,513	1,984
Accrual of income taxes	1,338	756
Other	269	176
Total	4,120	2,916

16. GUARANTEES AND OFF-BALANCE SHEET LIABILITIES

1,000 EUR	2022	2021
Liabilities and other obligations for which pledges were given		
Loans from financial institutions	22,131	29,450
Agreed overdraft limit	3,000	3,000
Overdraft limit in use	0	0
Registered mortgages		
Floating charge notes	167,700	167,700
Real estate mortgages	10,584	10,584
Total mortgages	178,284	178,284
Released mortgages		
Floating charge notes	167,700	0
Real estate mortgages	10,584	0
Total mortgages	178,284	0

1,000 EUR	2022	2021
Mortgages given for loans to financial institutions		
Floating charge notes	0	167,700
Real estate mortgages	0	10,584
Total mortgages	0	178,284

1,000 EUR	2022	2021
Leasing liabilities		
Payable during the following financial year	120	185
Payable in later years	131	231
Total	250	416
Other commitments	100	100
Rental liabilities	35	36

17. VAT REFUND LIABILITY OF REAL ESTATE INVESTMENTS

Related to completed investments in real estate the group has an obligation to revise the VAT deducted if the VAT-deductible use decreases during the revision period.

Acquisition year	Acquisition price	VAT deducted	Last revision period	Refund liability at 31 December
2015	444	107	2024	21
2016	9	2	2025	1
2017	43	10	2026	4
2018	382	92	2027	46

Acquisition year	Acquisition price	VAT deducted	Last revision period	Refund liability at 31 December
2019	706	169	2028	102
2020	23	5	2029	4
2021	10	2	2030	2
2022	67	16	2031	14
Total	1,683	404		194

18. RELATED PARTY TRANSACTIONS

1,000 EUR	2022	2021
Sales of services		174
Purchase of goods		455
Loans to related parties		
Loans issued		
Repayments of loans		2,085
Interest income from loans		28
Loans from related parties		
Repayments of convertible loan		12,533
Interest payments of convertible loans		3,756
Earn out payment	1,750	

Terms and conditions of transactions between related parties are the same as those between unrelated parties.

PARENT COMPANY INCOME STATEMENT

EUR	Note	1.1–31.12.2022	30.9–31.12.2021
Net sales	1.	723,607.99	143,012.26
Personnel expenses	2.	-730,603.30	-123,966.07
Depreciation and amortization according to plan	3.	-1,200.00	-300.00
Other operating expenses	4.	-1,386,218.68	-136,487.36
Operating profit / Loss		-1,394,413.99	-117,741.17
Financial income and expenses	5.	-521,733.54	118,458.03
Profit / Loss before appropriations and taxes		-1,916,147.53	716.86
Group contribution		5,500,000.00	470,000.00
Income taxes	6.	-716,771.49	-260.00
Profit / Loss for the period		2,867,080.98	470,456.86

PARENT COMPANY BALANCE SHEET

EUR	Note	31.12.2022	31.12.2021
Assets			
Fixed assets			
Tangible assets	7.	3,900.00	5,100.00
Investments	8.	3,501,750.00	3,501,750.00
		3,505,650.00	3,506,850.00
Current assets			
Long-term receivables		13,545,000.00	8,545,000.00
Short-term receivables			
Account receivables		9,889.98	
Other receivables		5,506,307.11	470,000.00
Prepayments and accrued income		188,054.57	
Financial assets			
Short-term deposits		4,000,000.00	
Cash and equivalents		5,031,991.50	264,801.39
Total current assets		28,281,243.16	9,279,801.39
Total assets		31,786,893.16	12,786,651.39

EUR	Note	31.12.2022	31.12.2021
Equity and liabilities			
Equity	9.		
Share capital		12,663,301.00	12,663,301.00
Reserve for invested non-restricted equity		15,113,348.14	
Retained earnings		-102,386.71	-572,843.57
Profit of the year		2,867,080.98	470,456.86
		30,541,343.41	12,560,914.29
Liabilities			
Current liabilities			
Accounts payables		164,468.10	54,593.49
Other liabilities		131,442.54	20,663.72
Accrued expenses and deferred income	10.	949,639.11	150,479.89
Current liabilities		1,245,549.75	225,737.10
Total equity and liabilities		31,786,893.16	12,786,651.39

PARENT COMPANY CASH FLOW STATEMENT

EUR	1.1–31.12.2022	30.9–31.12.2021
Cash flow from operating activities		
Profit / loss before appropriations and taxes	-1,916,147.53	716.86
Adjustments for		
Depreciation and amortization according to plan	1,200.00	300.00
Financial income and expenses	521,733.54	-118,458.03
Cash flow before working capital changes	-1,393,213.99	-117,741.17
Increase (-) / decrease (+) in trade and other short-term interest-free receivables	-179,322.77	
Increase (+) / decrease (-) in current interest-free liabilities	303,301.60	119,715.74
Operating cash flow before financing items and taxes	-1,269,235.16	2,274.57
Interests and other financial expenses paid relating to operating activities	-1,117,596.33	-3,756,165.07
Interest received relating to operating activities	570,933.90	3,379,676.73
Income taxes paid	-260.44	
Net cash flow from operating activities	-1,816,158.03	-374,213.77

EUR	1.1–31.12.2022	30.9–31.12.2021
Cash flow from investing activities		
Granted loans	-5,000,000.00	
Proceeds from repayment of loans		13,050,000.00
Net cash flow from investing activities	-5,000,000.00	13,050,000.00
Cash flow from financing activities		
Repayment of long-term loans		-12,532,852.00
Proceeds from paid in capital	15,113,348.14	
Proceeds from group contributions	470,000.00	
Net cash flow from financing activities	15,583,348.14	-12,532,852.00
Net increase (+)/ decrease (-) in cash and cash equivalents	8,767,190.11	142,934.23
Cash and cash equivalents at the beginning of period	264,801.39	121,867.16
Cash and cash equivalents at the end of period	9,031,991.50	264,801.39

Short term financial assets have been included in cash and cash equivalents at the end of the period.

NOTES TO PARENT COMPANY

1. NET SALES BY MARKET AREA

EUR	2022	2021
Market area		
EMEA	723,608	143,012
Total	723,608	143,012

The parent company's business consists of sales of administrative services to group companies.

2. PERSONNEL EXPENSES

EUR	2022	2021
Wages and salaries	635,340	108,052
Pension expenses	72,155	12,332
Other social security expenses	23,109	3,582
Total	730,603	123,966

Average number of personnel during the financial year

	2022	2021
Employees	2	2

Wages and salaries of directors and management

EUR	2022	2021
Wages and salaries of the CEO and the members of the Boards of Directors	436,112	72,323

3. DEPRECIATION, AMORTIZATION AND IMPAIRMENT

EUR	2022	2021
Machinery and equipment	1,200	300
Total	1,200	300

4. OTHER OPERATING EXPENSES

EUR	2022	2021
Administrative expenses	220,718	10,118
Other operating expenses	1,165,500	126,370
Total	1,386,219	136,488

Auditor's fees

EUR	2022	2021
Financial audit	18,693	
Other services	298,039	64,781
Total	316,732	64,781

5. FINANCIAL INCOME AND EXPENSES

EUR	2022	2021
Group internal financial income	570,934	118,459
Other financial income	24,929	4
Other financial expenses	1,117,596	5
Total	-521,734	118,458

6. INCOME TAXES

EUR	2022	2021
Current tax expense	716,771	260
Total	716,771	260

7. INTANGIBLE AND TANGIBLE ASSETS

Tangible assets

EUR	2022	2021
Machinery and equipment		
Acquisition cost at beginning of period	6,000	6,000
Additions	0	0
Acquisition cost at end of period	6,000	6,000
Accumulated depreciation at beginning of period	900	600
Depreciation for the financial year	1,200	300
Accumulated depreciation at end of period	2,100	900
Carrying value at end of period	3,900	5,100
Total tangible assets	3,900	5,100

8. INVESTMENTS

EUR	2022	2021
Shares in group companies		
Acquisition cost at beginning of period	3,501,750	3,501,750
Acquisition cost at end of period	3,501,750	3,501,750
Total investments	3,501,750	3,501,750

Group companies

Subsidiaries	Country of domicile	Ownership interest held by the group
Sponbeam Ltd	Finland	100%
Nordic Lights Ltd	Finland	100%
Sandsund Lights Ltd	Finland	100%
Herrmans Nordic Lights GmbH	Germany	100%
Nordic Lights NA Inc.	USA	100%
Nordic Lights (Suzhou) Co.	China	100%
Nordic Lights APAC PTE, LTD	Singapore	100%

9. EQUITY

EUR	2022	2021
Restricted equity		
Share capital at beginning of period	12,663,301	12,663,301
Share capital at end of period	12,663,301	12,663,301
Total restricted equity	12,663,301	12,663,301
Unrestricted equity		
Reserve for invested non-restricted equity at beginning of period		
Additions	15,113,348	
Reserve for invested non-restricted equity at end of period	15,113,348	
Retained earnings at beginning of period	-102,387	-572,844
Retained earnings at end of period	-102,387	-572,844
Profit of the year	2,867,081	470,457
Total unrestricted equity	17,878,042	-102,387
Total equity	30,541,343	12,560,914
Distributable equity		
Reserve for invested non-restricted equity	15,113,348	
Retained earnings	-102,387	-572,844
Profit of the financial year	2,867,081	470,457
	17,878,042	-102,387
Number of shares		
Number of shares	20,957,962	17,940,430

For details on share capital see note 13. in the consolidated financial statement

10. MATERIAL ITEMS IN THE ACCRUED EXPENSES AND DEFERRED INCOME

EUR	2022	2021
Wages and salaries including social security costs	229,868	146,120
Accrual of income taxes	716,771	260
Other	3,000	4,100
Total	949,639	150,480

11. GUARANTEES AND OFF-BALANCE SHEET LIABILITIES

EUR	2022	2021
Registered mortgages		
Corporate mortgages	55,900,000	55,900,000
Released mortgages		
Corporate mortgages	55,900,000	0
Mortgages given for group companies' loans to financial institutions		
Corporate mortgages	0	55,900,000

12. RELATED PARTY TRANSACTIONS

EUR	2022	2021
Group companies		
Sales of services	723,608	143,012
Repayments of loans		13,050,000
Granted loans	5,000,000	
Interest income from loans	570,934	3,379,673
Loans from related parties		
Repayments of convertible loan		12,532,852
Interest payments of convertible loans		3,756,160

Terms and conditions of transactions between related parties are the same as those between unrelated parties.

SIGNATURES TO THE FINANCIAL STATEMENTS

Jakobstad 15. February 2023

Göran Carlson

Sami Heikkilä

Päivi Lindqvist

Jyrki Perttunen

Thomas Sandvall

Risto Siivonen

Caj-Anders Skog

Tom Nordström, CEO

The auditor's note

Our auditor's report has been issued today

Vaasa 22. February 2023

KPMG Oy Ab

Hans Bertell
KHT

Tilintarkastuskertomus

Nordic Lights Group Oyj:n yhtiökokoukselle

Tilinpäätöksen tilintarkastus

Lausunto

Olemme tilintarkastaneet Nordic Lights Group Oyj:n (y-tunnus 3209111-1) tilinpäätöksen tilikaudelta 1.1.–31.12.2022. Tilinpäätös sisältää sekä konsernin että emoyhtiön taseen, tuloslaskelman, rahoituslaskelman ja liitetiedot.

Lausuntonamme esitämme, että tilinpäätös antaa oikean ja riittävän kuvan konsernin sekä emoyhtiön toiminnan tuloksesta ja taloudellisesta asemasta Suomessa voimassa olevien tilinpäätöksen laatimista koskevien säännösten mukaisesti ja täyttää lakisääteiset vaatimukset.

Lausunnon perustelut

Olemme suorittaneet tilintarkastuksen Suomessa noudatettavan hyvän tilintarkastustavan mukaisesti. Hyvän tilintarkastustavan mukaisia velvollisuuksiamme kuvataan tarkemmin kohdassa *Tilintarkastajan velvollisuudet tilinpäätöksen tilintarkastuksessa*. Olemme riippumattomia emoyhtiöstä ja konserniyrityksistä niiden Suomessa noudatettavien eettisten vaatimusten mukaisesti, jotka koskevat suorittamaamme tilintarkastusta ja olemme täyttäneet muut näiden vaatimusten mukaiset eettiset velvollisuutemme. Käsityksemme mukaan olemme hankkineet lausuntonne perustaksi tarpeellisen määrän tarkoitukseen soveltuvaa tilintarkastusevidenssiä.

Tilinpäätöstä koskevat hallituksen ja toimitusjohtajan velvollisuudet

Hallitus ja toimitusjohtaja vastaavat tilinpäätöksen laatimisesta siten, että se antaa oikean ja riittävän kuvan Suomessa voimassa olevien tilinpäätöksen laatimista koskevien säännösten mukaisesti ja täyttää lakisääteiset vaatimukset. Hallitus ja toimitusjohtaja vastaavat myös sellaisesta sisäisestä valvonnasta, jonka ne katsovat tarpeelliseksi voidakseen laatia tilinpäätöksen, jossa ei ole väärinkäytöksestä tai virheestä johtuvaa olennaista virheellisyttä.

Hallitus ja toimitusjohtaja ovat tilinpäätöstä laatiessaan velvollisia arvioimaan emoyhtiön ja konsernin kykyä jatkaa toimintaansa ja soveltuvissa tapauksissa esittämään seikat, jotka liittyvät toiminnan jatkuvuuteen ja siihen, että tilinpäätös on laadittu toiminnan jatkuvuuteen perustuen. Tilinpäätös laaditaan toiminnan jatkuvuuteen perustuen, paitsi jos emoyhtiö tai konserni aiotaan purkaa tai toiminta lakkauttaa tai ei ole muuta realistista vaihtoehtoa kuin tehdä niin.

Tilintarkastajan velvollisuudet tilinpäätöksen tilintarkastuksessa

Tavoitteenamme on hankkia kohtuullinen varmuus siitä, onko tilinpäätöksessä kokonaisuutena väärinkäytöksestä tai virheestä johtuvaa olennaista virheellisyttä, sekä antaa tilintarkastuskertomus, joka sisältää lausuntonne. Kohtuullinen varmuus on korkea varmuustaso, mutta se ei ole tae siitä, että olennainen virheellisyys aina havaitaan hyvän tilintarkastustavan mukaisesti suoritettavassa tilintarkastuksessa. Virheellisyksiä voi aiheutua väärinkäytöksestä tai virheestä, ja niiden katsotaan olevan olennaisia, jos niiden yksin tai yhdessä voisi kohtuudella odottaa vaikuttavan taloudellisiin päätöksiin, joita käyttäjät tekevät tilinpäätöksen perusteella.

Hyvän tilintarkastustavan mukaiseen tilintarkastukseen kuuluu, että käytämme ammatillista harkintaa ja säilytämme ammatillisen skeptisyyden koko tilintarkastuksen ajan. Lisäksi:

- Tunnistamme ja arvioimme väärinkäytöksestä tai virheestä johtuvat tilinpäätöksen olennaisen virheellisyyden riskit, suunnittelemme ja suoritamme näihin riskeihin vastaavia tilintarkastustoimenpiteitä ja hankimme lausuntonne perustaksi tarpeellisen määrän tarkoitukseen soveltuvaa tilintarkastusevidenssiä. Riski siitä, että väärinkäytöksestä johtuva olennainen virheellisyys jää havaitsematta, on suurempi kuin riski siitä, että virheestä johtuva olennainen virheellisyys jää havaitsematta, sillä väärinkäytökseen voi liittyä yhteistoimintaa, väärentämistä, tietojen tahallista esittämättä jättämistä tai virheellisten tietojen esittämistä taikka sisäisen valvonnan sivuuttamista.
- Muodostamme käsityksen tilintarkastuksen kannalta relevantista sisäisestä valvonnasta pystyäksemme suunnittelemaan olosuhteisiin nähden asianmukaiset tilintarkastustoimenpiteet mutta emme siinä tarkoituksessa, että pystyisimme antamaan lausunnon emoyhtiön tai konsernin sisäisen valvonnan tehokkuudesta.
- Arvioimme sovellettujen tilinpäätöksen laatimisperiaatteiden asianmukaisuutta sekä johdon tekemien kirjanpidollisten arvioiden ja niistä esitettävien tietojen kohtuullisuutta.
- Teemme johtopäätöksen siitä, onko hallituksen ja toimitusjohtajan ollut asianmukaista laatia tilinpäätös perustuen oletukseen toiminnan jatkuvuudesta, ja teemme hankkimamme tilintarkastusevidenssin perusteella johtopäätöksen

siitä, esiintyykö sellaista tapahtumiin tai olosuhteisiin liittyvää olennaista epävarmuutta, joka voi antaa merkittävää aihetta epäillä emoyhtiön tai konsernin kykyä jatkaa toimintaansa. Jos johtopäätöksemme on, että olennaista epävarmuutta esiintyy, meidän täytyy kiinnittää tilintarkastuskertomuksessamme lukijan huomiota epävarmuutta koskeviin tilinpäätöksessä esitettäviin tietoihin tai, jos epävarmuutta koskevat tiedot eivät ole riittäviä, mukauttaa lausuntomme. Johtopäätöksemme perustuvat tilintarkastuskertomuksen antamispäivään mennessä hankittuun tilintarkastusevidenssiin. Vastaiset tapahtumat tai olosuhteet voivat kuitenkin johtaa siihen, ettei emoyhtiö tai konserni pysty jatkamaan toimintaansa.

- Arvioimme tilinpäätöksen, kaikki tilinpäätöksessä esitettävät tiedot mukaan lukien, yleistä esittämistapaa, rakennetta ja sisältöä ja sitä, kuvastaako tilinpäätös sen perustana olevia liiketoimia ja tapahtumia siten, että se antaa oikean ja riittävän kuvan.
- Hankimme tarpeellisen määrän tarkoitukseen soveltuvaa tilintarkastusevidenssiä konserniin kuuluvia yhteisöjä tai liiketoimintoja koskevasta taloudellisesta informaatiosta pystyäksemme antamaan lausunnon konsernitiilinpäätöksestä. Vastaamme konsernin tilintarkastuksen ohjauksesta, valvonnasta ja suorittamisesta. Vastaamme tilintarkastuslausunnosta yksin.

Kommunikoimme hallintoelinten kanssa muun muassa tilintarkastuksen suunnittelusta laajuudesta ja ajoituksesta sekä merkittävistä tilintarkastushavainnoista, mukaan lukien mahdolliset sisäisen valvonnan merkittävät puutteellisuudet, jotka tunnistamme tilintarkastuksen aikana.

Muut raportointivelvoitteet

Muu informaatio

Hallitus ja toimitusjohtaja vastaavat muusta informaatiosta. Muu informaatio käsittää toimintakertomuksen. Tilinpäätöstä koskeva lausuntomme ei kata muuta informaatiota.

Velvollisuutenamme on lukea muu informaatio tilinpäätöksen tilintarkastuksen yhteydessä ja tätä tehdessämme arvioida, onko muu informaatio olennaisesti ristiriidassa tilinpäätöksen tai tilintarkastusta suoritettaessa hankkimamme tietämyksen kanssa tai vaikuttaako se muutoin olevan olennaisesti virheellistä. Velvollisuutenamme on lisäksi arvioida, onko toimintakertomus laadittu sen laatimiseen sovellettavien säännösten mukaisesti.

Lausuntonamme esitämme, että toimintakertomuksen ja tilinpäätöksen tiedot ovat yhdenmukaisia ja että toimintakertomus on laadittu toimintakertomuksen laatimiseen sovellettavien säännösten mukaisesti.

Jos teemme suorittamamme työn perusteella johtopäätöksen, että toimintakertomuksessa on olennainen virheellisyys, meidän on raportoitava tästä seikasta. Meillä ei ole tämän asian suhteen raportoitavaa.

Vaasassa 22. helmikuuta 2023

KPMG OY AB



Hans Bertell
KHT

ARTICLES OF ASSOCIATION OF NORDIC LIGHTS**ARTICLES OF ASSOCIATION****1 § Name and Domicile of the Company**

The name of the company is Nordic Lights Group Oyj in Finnish and Nordic Lights Group Corporation in English. The domicile of the company is Pedersöre, Finland.

2 § Line of Business

The line of business of the company is to, either directly or through its subsidiaries or affiliate companies, develop, manufacture, market and sell lighting solutions. In addition, the company may directly and/or through its subsidiaries or affiliate companies purchase, sell, own and manage real property and securities. As the parent company, the company may attend to the organization, financing and purchases of the group and to other similar common tasks, as well as own real property and shares and carry on securities trading, corporate acquisitions and divestments, and other investment business.

3 § Board of Directors

The company has a Board of Directors consisting of no less than four (4) and no more than eight (8) members.

The term of the members of the Board of Directors begins from the General Meeting deciding on their election and ends at the close of the next Annual General Meeting following their election. The Board of Directors shall elect a Chairman from among its members.

4 § Chief Executive Officer

The company may have a Chief Executive Officer, who is elected by the Board of Directors.

5 § Representation of the Company

The company is represented by not only the Board of Directors, but also the members of the Board of Directors, the Chairman of the Board of Directors and the Chief Executive Officer, two (2) together. The Board of Directors can give a specific person a procuration right or a right to represent the company.

6 § Notice to the General Meeting of Shareholders

The notice convening the General Meeting of Shareholders must be delivered to the shareholders no earlier than three (3) months and no later than three (3) weeks before the meeting, however, no later than nine (9) days before the record date of the General Meeting. The notice shall be delivered to the shareholders by means of a notice published on the company's website or at least in one national daily newspaper designated by the Board of Directors.

To be entitled to attend the General Meeting, a shareholder must register with the company no later than on the date specified in the notice of the General Meeting, which date may not be earlier than ten (10) days prior to the General Meeting.

The venue for the General Meeting of Shareholders must be located in Pedersöre, Pietarsaari or Helsinki.

7 § Annual General Meeting of Shareholders

The Annual General Meeting of Shareholders must be held annually on a date decided by the Board of Directors and within six (6) months from the end of the financial year.

At the Annual General Meeting the following shall be presented:

- the financial statements, including the consolidated financial statements,

- the annual report, and
- the auditor's report.

After which, the following shall be decided:

- the adoption of the financial statements and consolidated financial statements,
- the use of the profit shown on the balance sheet,
- the discharge from liability for the members of the Board of Directors and the Chief Executive Officer,
- the remuneration of the members of the Board of Directors and of the auditor, and
- the number of members of the Board of Directors.

After which, the following shall be elected:

- the members of the Board of Directors, and
- the auditor.

After which, any other matters possibly contained in the notice of the Meeting shall be handled.

8 § Auditor

The company has one (1) auditor that shall be an auditing firm approved by the Finnish Patent and Registration Office. The auditor's term of office begins from the General Meeting deciding on the auditor's election and ends at the close of the next Annual General Meeting following its election.

9 § Book-entry Securities System

The company's shares belong to a book-entry securities system after the expiry of the registration period.

10 § Notification on the Change of Holdings

A shareholder shall notify the company of its ownership and share of votes when the holding reaches, exceeds or falls below 5, 10, 15, 20, 25, 30, 50 or 90 percent or 2/3 of the total number of votes carried by the shares registered in the trade register or the total number of shares registered in the trade register. A shareholder shall also make a notification on the change of holdings when it has on the basis of a financial instrument the right to receive a number of shares in the company that would reach, exceed or fall below the abovementioned thresholds. The notification shall be made regardless of whether the underlying asset of the financial instrument will be settled physically or in cash. The obligation to make a notification shall also arise when a shareholder's combined holdings of the above (shareholding or voting rights and long position acquired through a financial instrument) reach, exceed or fall below the abovementioned thresholds.

This Article 10 shall be interpreted in accordance with Chapter 9 Sections 5 to 8 of the Finnish Securities Markets Act.

When calculating the holdings of the shareholder, holdings of the entities controlled by the shareholder shall also be considered as holdings of the shareholders. In addition, holdings of a third party shall be taken into account if the shareholder has the right to acquire, transfer or exercise the voting rights attached to the shares owned by the third party.

The obligation to notify the company of the change of holdings shall not apply to:

- shares acquired for the sole purpose of settlement activities for a maximum of four trading days and to custodians of securities holding shares in this capacity with the right to exercise the voting rights attached to the shares in their custody only as specifically instructed;
- holdings and voting rights in the trading book of a credit institution or an investment service provider if:

- (a) the holdings in the trading book do not exceed 5 percent of the total number of votes or the total number of shares in the company; and

(b) the voting rights attached to the shares in the trading book are not exercised nor otherwise used to intervene in the management of the company;

- holdings and voting rights, which have been acquired for the purposes of stabilization in connection with an offer of securities in accordance with the EU Market Abuse Regulation ((EU) No 596/2014, as amended), if the voting rights attached to the shares are not exercised nor otherwise used to intervene in the management of the company.

The notification on the change of holdings shall be made without undue delay, however, no later than on the next trading day after the shareholder learned or should have learned of the acquisition or transfer, his/her/its possibility of exercising voting rights or the executed transaction as a result of which his/her/its holding or share of votes has changed or will change in the manner provided above, once the transaction is completed. The shareholder need not make a notification on the change of holdings if the notification is made by the person exercising control over the shareholder.

The notification on the change of holdings shall contain the following information:

- (a) grounds for making the notification on the change of holdings;
- (b) time when holdings or share of votes reached, exceeded or fell below the abovementioned thresholds;
- (c) exact share of the shares and votes in the company held either directly or indirectly by the shareholder;
- (d) exact share of the shares and votes in the company held either directly or indirectly by the shareholder on the basis of a financial instrument;
- (e) total number of the shares concerned;
- (f) nature, maturity date, execution period and transfer method of the financial instrument;
- (g) total number of votes attached to the shares or the total number of shares in the company registered in the trade register;
- (h) full name, trade register number or equivalent corporate identifier;
- (i) entities controlled by the shareholder through which shares of the company and voting rights attached thereto are held, and full name, trade register number or equivalent corporate identifier of each such entity; and
- (j) description of the division of holdings between the shareholder and each of the entities controlled by the shareholder.

The company will publish a template form for the notification of change of holdings on its website. When a notification on the change of holdings has been made to the company or the company otherwise becomes aware of the reaching, exceeding or falling below of any of the abovementioned thresholds, the company shall, without undue delay, disclose the information of the change of holdings in the company and deliver such information to the market.

The shareholder shall make the notification on the change of holdings in Finnish or in English, at its own discretion, and the company shall disclose all information pertaining to the change of holdings without undue delay.

In the event that a shareholder fails to comply with its obligation to notify the company of changes in its holdings when the holdings reach or exceed the abovementioned thresholds, the shareholder is entitled to only exercise the share of the votes attached to the shares that the shareholder held before the change in its holdings, until the shareholder has made the required notification.

This Article 10 of the Articles of Association ceases to apply in its entirety in the event that the shares of the company are admitted to trading on a regulated market as referred to in Chapter 2, Section 5 of the Finnish Securities Markets Act. Thereafter, an obligation to notify major holdings and share of votes shall be determined in accordance with Chapter 9 of the Finnish Securities Markets Act.

11 § Obligation to Make a Tender Offer

Offer

A shareholder, whose holding increases above 50 percent of the total number of votes attached to the shares of the company registered in the trade register (offer threshold) after the shares of the company have been admitted to public

trading on a market place, including Nasdaq First North Growth Market Finland, shall make an offer to purchase all the other shares and securities entitling thereto issued by the company to other shareholders and holders of such securities entitling to shares of the company issued by the company.

A shareholder's share of votes shall comprise:

- (a) shares held by the shareholder and persons acting in concert with the shareholder;
- (b) shares held together by the shareholder or by persons acting in concert with the shareholder, and a third party; and
- (c) shares, the voting rights attached to which the shareholder is entitled to use or direct under a contract or other arrangement.

When calculating the share of votes referred to in this Article 11, restrictions on the exercise of voting rights based on law or the articles of association or on another contract shall not be taken into account. Votes attached to shares held by the company or by an entity controlled by it shall not be taken into account in the total number of votes on the company. An obligation to make an offer shall not apply to entities acting as custodians of shares in the company and holdings of such entities shall not be taken into account when calculating the shareholder's share of votes.

In this Article 11, persons acting in concert shall mean natural or legal persons who, on the basis of an agreement or otherwise, cooperate with a shareholder, offeror or the company with the intention to exercise or acquire significant control in the company or to prevent the realization of an offer. Persons acting in concert shall comprise at least:

- (a) a shareholder and entities controlled by it as well as their pension foundations and pension funds;
- (b) the company and legal persons belonging to the same group and their pension foundations and pension funds; and
- (c) a shareholder and persons who are in a relationship with the shareholder in the meaning of Article 3, paragraph 1, subparagraph 26, indents a to c of the Market Abuse Regulation.

If there is one shareholder in the company whose share of votes exceed the offer threshold, the obligation to make an offer shall not arise to another shareholder until his/her/its share of votes exceed the share of votes of the first mentioned shareholder.

If the offer threshold is exceeded solely due to measures taken by the company or another shareholder, the obligation to make an offer shall not arise until the shareholder who has exceeded the offer threshold acquires or subscribes for more shares in the company or otherwise increases his/her/its shares of votes in the company.

Consideration

The consideration paid by the offeror shall equal fair market price. Consideration may be cash, securities or shares or a combination of cash, securities and shares. The basis for determining the consideration shall be the highest of the following:

- the highest price paid for the securities subject to the offer during the six (6) months prior to the obligation to make an offer by the offeror or by a person acting in concert with the offeror having arisen; or
- in the event that no such acquisitions have been made, the volume weighted average trading price of the publicly traded securities subject to the offer during the three (3) months prior to the obligation to make an offer having arisen.

If an acquisition, deemed to have influence on the consideration, is denominated in a currency other than euro, in which the shares of the company are traded, the conversion value of such currency used in such an acquisition to the trading currency shall be calculated with the official rates of the currencies set by the European Central Bank seven (7) days prior to the date on which the Board of Directors notified the shareholders of the offer.

The offeror shall treat all offerees equally and pay the same price per share to all offerees willing to sell their shares to the offeror on the basis of the offer regardless of the identity of the offeree, number of the shares held by the offeree or the time when the offeree sells its shares to the offeror.

In the event that the offeror or a person acting in concert with the offeror acquires shares in the company on better terms that have been offered to the offerees in the offer and such acquisition takes place between the date on which the obligation

to make an offer arose and the date by which the offer has to be accepted, the offeror shall be obliged to amend the offer to correspond to the said acquisition. The procedure for the amendment of the offer is set forth below.

In the event that the offeror or a person acting in concert with the offeror acquires shares in the company on better terms that have been offered to the offerees in the offer (or possible amended offer), and such acquisition takes place within nine (9) months from the date by which the offer had to be accepted, the offeror shall compensate the difference of the consideration paid to the offerees who have accepted the offer (or possible amended offer) and the consideration paid in the acquisition.

Procedure

The offeror has an obligation to make the offer in writing to the company's address addressed to the Board of Directors. A notification on the obligation to make an offer shall contain the number of shares held by the offeror and the number of shares acquired during the last twelve (12) months and consideration paid for them. A notification on an obligation to make an offer shall also contain the address of the offeror and the notification shall, at the discretion of the offeror, be made in Finnish or in English.

The Board of Directors shall notify the company's shareholders that an obligation to make an offer has arisen within 30 days of receiving a notification on the obligation to make an offer, or in the absence of such notification or where such notification fails to arrive within said period, of the date on which it otherwise became aware of the obligation to make an offer. The notification of the Board of Directors shall contain all the information of the date on which the obligation to make an offer arose, the basis for the determination of the consideration, to the extent known to the Board of Directors, and the last date for accepting the offer. The offeror shall provide the Board of Directors all the information reasonably needed for the Board of Directors to deliver its own notification to the shareholders. The notification of the Board of Directors shall be made in accordance with Article 10 concerning notices to general meetings of shareholders. An offeree who wishes to accept the offer shall do so in writing within 30 days of the notification of the Board of Directors. An acceptance notification, to be sent to the company or a party appointed by the Board of Directors, shall include the number of shares covered by the acceptance. An offeree who accepts the offer shall, simultaneously with the acceptance notification, provide the company with all the documentation necessary for carrying out the transfer of the relevant shares to the offeror against the payment of the consideration.

The offeror shall without delay notify the Board of Directors, if the offer must be amended in accordance with the abovementioned provisions and it shall provide the Board of Directors all information reasonably requested it. In the event that the offerees have already been informed of the offer, the Board of Directors shall without delay notify the offerees of the amended offer and of a possible extension to the offer period in the manner set forth in the paragraph immediately above. Such extension shall be resolved by the Board of Directors and it shall not exceed two (2) weeks from the original date by which the offer had to be accepted in accordance with the paragraph above. Information on the new deadline shall, however, be announced at least two (2) weeks before the new deadline.

If the offer is not accepted by an offeree by the deadline as set forth in the paragraph above, the offeree shall forfeit its right to accept the offer (or possible amended offer). An offeree has the right to withdraw its acceptance by notifying the Board of Directors in writing until the purchase has taken place in accordance with the terms of the offer.

The company shall notify the offeror of the total number of acceptances of the offer immediately after the deadline set forth in the paragraph above has passed. The offeror shall, within 14 days upon receiving such notification and in accordance with instructions provided by the company, pay the consideration and complete the purchase of the shares in respect of the acceptances received.

The consideration or any part thereof that is not paid within said period, shall accrue default interest of 20 percent per annum as of the date on which the purchase should have taken place. In addition, if the offeror has failed to comply with the abovementioned provisions concerning the obligation to make an offer, default interest shall be calculated from the date on which the notification of the obligation to make an offer should have been made.

The company shall prepare all releases relating to notifications and information released to the shareholders of the company in accordance with this Article 11 in Finnish and in English.

All provisions relating to the application and interpretation of the obligation to make an offer, which are not explicitly stated in this Article 11, shall be determined by applying Chapter 11 of the Finnish Securities Markets Act.

Dispute Resolution

The Board of Directors is fully authorized to resolve on the application of this Article 11, including the application of directly or analogically applicable regulation entirely or partially. This authorization of the Board of Directors also includes any discretion analogically vested in a relevant takeover committee, such as the assessment of whether the share of holdings referred to in this Article 11 has been reached, the authority to determine the terms of an offer as well as the consideration to be offered by the offeror to the offerees. In addition, the Board of Directors may, on application and on special grounds, grant a permission to derogate from the obligation to make an offer and other obligations set out in this Article.

All bona fide resolutions or decisions or use of discretionary or decision-making power made in accordance with this Article 11 shall be final and binding, and all bona fide actions taken by the Board of Directors or on behalf of the Board of Directors or on the basis of authorizations granted by the Board of Directors in accordance with this Article 11, shall be final and binding on all relevant parties concerned and cannot be challenged with respect to validity or any other grounds. The Board of Directors shall not be obligated to provide reasoning for its resolutions, decisions or notifications made in accordance with this Article 11.

Should half or more of the members of the Board of Directors have a conflict of interest or otherwise be unable to resolve on matters relating to this Article 11, the Board of Directors shall appoint an independent financial adviser to undertake the role of the Board of Directors for the purposes of the resolutions related to this Article. Such advisor must have relevant experience and a background in offer related matters. Such advisor shall in this respect have equivalent authority as those granted to the Board of Directors in this Article, unless the Board of Directors decides otherwise in connection with the appointment of the advisor, or otherwise.

Application of the Article 11

This Article 11 of the Articles of Association ceases to apply in its entirety in the event that the shares of the company are admitted to trading on a regulated market as referred to in Chapter 2, Section 5 of the Finnish Securities Markets Act. Thereafter, the procedure for a public offer and an obligation to make an offer shall be determined in accordance with Chapter 11 of the Finnish Securities Markets Act.

Restriction on Number of Votes

In the event that a shareholder fails to comply with its obligation to make an offer as set out above, the shareholder is entitled to only exercise the share of votes attached to the shares it owns that do not reach or exceed the minimum offer threshold of 50 percent as defined above.

STATEMENT BY THE BOARD OF DIRECTORS OF NORDIC LIGHTS

STATEMENT OF THE BOARD OF DIRECTORS OF NORDIC LIGHTS GROUP CORPORATION REGARDING THE PUBLIC CASH OFFER BY MONTANA BIDCO OY TO THE SHAREHOLDERS OF NORDIC LIGHTS GROUP CORPORATION

On February 28, 2023, Montana BidCo Oy ("**Montana**" or the "**Offeror**") announced a voluntary public cash tender offer to the shareholders of Nordic Lights Group Corporation ("**Nordic Lights**" or the "**Company**") to tender all their shares in Nordic Lights to Montana for a consideration of EUR 6.30 in cash per share (the "**Offer**"). The Offer is being made for all of the issued and outstanding shares in Nordic Lights that are not held by Nordic Lights or its subsidiaries (the "**Shares**").

The Board of Directors of the Company (the "**Nordic Lights Board**") has decided to issue the statement below regarding the Offer as required by the Helsinki Takeover Code issued by the Finnish Securities Market Association (the "**Helsinki Takeover Code**").

The Offer in Brief

The Offeror is a private limited liability company incorporated and existing under the laws of Finland, that is indirectly wholly owned by Methode Electronics, Inc. ("**Methode**"), a corporation incorporated and existing under the laws of the state of Delaware, the United States, with its shares listed on the New York Stock Exchange.

Methode and Nordic Lights have, on February 28, 2023, entered into a combination agreement (the "**Combination Agreement**") pursuant to which the Offeror makes the Offer for all Shares in Nordic Lights and pursuant to which Methode has transferred its rights and obligations to Montana (in accordance with its terms).

As at the date of this statement, Nordic Lights has 20,957,962 issued shares, of which none are held in treasury. Neither the Offeror nor Methode hold any shares in the Company.

The Offeror and Methode have reserved the right to acquire, or enter into arrangements to acquire, shares in Nordic Lights before, during and/or after the offer period (including any extension thereof) outside the Offer in public trading on Nasdaq First North Growth Market Finland ("**Nasdaq First North**") or otherwise. The Offeror has undertaken to disclose any such purchases made or arranged in accordance with applicable rules.

The Offer is made pursuant to the terms and conditions to be included in the tender offer document expected to be published by the Offeror on or about March 14, 2023 (the "**Offer Document**").

The Offer Consideration

The Offer was announced with an offer consideration of EUR 6.30 in cash per each validly tendered Share in the Offer, subject to any adjustments as set out below (the "**Offer Consideration**"). The Offer Consideration has been determined based on 20,957,962 Shares. Should the Company increase the number of its Shares as a result of any measure with a dilutive effect, or should the Company distribute a dividend or in any other way distribute or transfer value to its shareholders, or if a record date with respect to any of the foregoing occurs prior to any settlement of the Offer (with the effect that any resulting distribution of funds is not payable to the Offeror), then the Offer Consideration payable by the Offeror will be reduced accordingly on a euro-for-euro basis. As disclosed in the Company's Financial Statements Release on 16 February 2023, the Company's Board of Directors has proposed a dividend of EUR 0.12 per share for the financial year 2022.

The Offer Consideration represents a premium of:

- approximately 13.4 percent compared to the average price of EUR 5.56 for Nordic Lights' share on Nasdaq First North on February 27, 2023, being the last day of trading before the announcement of the Offer;
- approximately 58.1 percent compared to the closing price of EUR 3.99 for Nordic Lights' share on Nasdaq First North on December 20, 2022, i.e. the last day of trading prior to Methode submitting its non-binding proposal to Nordic Lights;

- approximately 51.5 percent compared to the volume-weighted average trading price of EUR 4.16 for Nordic Lights' share on Nasdaq First North during the last three months before the announcement of the Offer; and
- approximately 25.5 percent compared to the subscription price of EUR 5.02 for Nordic Lights' share in the initial public offering of Nordic Lights in connection with its listing to Nasdaq First North on 5 July 2022.

Major shareholders of the Company; Sponsor Fund IV Ky ("**Sponsor**"), which is ultimately controlled by Sponsor Capital Oy ("**Sponsor Capital**"), as well as individual partners at Sponsor Capital (the "**Individual Partners**"), Elo Mutual Pension Insurance Company ("**Elo**") and Oy Purmo Autic AB have irrevocably undertaken to accept the Tender Offer subject to certain customary conditions. Sponsor's and the Individual Partners' undertakings will not terminate in the event of any superior competing offers. Elo's and Purmo's irrevocable undertakings will terminate in the event that a third party announces a public tender offer for all Shares in the Company with a consideration of at least EUR 6.93 per share, where the Offeror does not within seven (7) business days match or exceed such competing offer by increasing the Offer Consideration. The aggregate irrevocable undertakings relating to the Offer represent approximately 56.5 percent of the Shares and votes in Nordic Lights, of which Sponsor's and the Individual Partners' irrevocable undertakings represent approximately 39.2 percent of the Shares and votes in Nordic Lights. In addition, Varma Mutual Pension Insurance Company ("**Varma**") (approximately 1.9 percent of the issued shares and votes) and Thomasset Oy ("**Thomasset**") (approximately 2.4 percent of the issued shares and votes), who in aggregate hold approximately 4.3 percent of the shares and votes in Nordic Lights, have expressed that they view the Offer positively.

The completion of the Offer is subject to the satisfaction or waiver by the Offeror of certain customary conditions on or prior to the Offeror's announcement of the final results of the Offer including, among others, that approvals by all necessary regulatory authorities have been received and the Offeror having achieved acceptances in respect of more than 90 percent of the Shares and votes in the Company as calculated in accordance with Chapter 18 Section 1 of the Finnish Limited Liability Companies Act (624/2006, as amended, the "**Finnish Companies Act**").

The Offeror has confirmed to the Nordic Lights Board that the Offer is fully financed by a combination of cash funds available within the Methode group and debt financing provided by Methode's available credit facilities. The funds required for the financing of the Offer are available to the Offeror on a certain funds basis under a funding commitment from Methode, to fully finance the Offer at completion and compulsory redemption proceedings, if any, in accordance with the Finnish Companies Act as well as the possible payment of a termination fee by the Offeror pursuant to the Combination Agreement.

The offer period for the Offer is expected to commence on or about March 15, 2023, and to expire on or about April 14, 2023, unless the Offeror extends the offer period in order to satisfy the conditions to completion of the Offer, including, among others, receipt of approvals from all necessary regulatory authorities. The Offer is currently expected to be completed during the second quarter of 2023.

As announced in connection with the publication of the Offer, the Combination Agreement includes customary provisions whereby the Nordic Lights Board retains the right to withdraw, modify or amend its recommendation to shareholders to accept the Tender Offer on the basis of its fiduciary duties under Finnish laws and regulations (including the Helsinki Takeover Code) and due to a possible superior competing offer or proposal (determined after consultation with the Company's external legal counsel and/or financial advisor) or materially changed circumstances, if it determines in good faith, that the acceptance of the Offer would no longer be in the best interest of the shareholders of Nordic Lights and that the failure to effect a change of recommendation would be a breach of the Nordic Lights Board's fiduciary duties. If such withdrawal, modification or amendment by the Nordic Lights Board is connected to a competing offer or a competing proposal, which the Nordic Lights Board determines in good faith to constitute a superior offer, the Nordic Lights Board may withdraw, modify or amend its recommendation provided that the Nordic Lights Board has (i) complied with its obligations in the Combination Agreement to not solicit competing transactions, (ii) notified the Offeror of the Company's receipt of the superior offer and the material contents thereof, including all financial conditions, and (iii) if requested by the Offeror, during a five (5) business days period following the date on which such notice is received, in good faith provided the Offeror with an opportunity to negotiate with the Nordic Lights Board to make such adjustments to the terms and conditions of the Offer as the Offeror may propose.

The Nordic Lights Board has seen it fit to agree to the non-solicitation undertaking, based on their assessment of the terms and conditions of the Offer and the irrevocable undertakings provided by the Company's major shareholders to the Offeror, and also considering that the non-solicitation undertaking does not prevent the Nordic Lights Board from investigating potential non-solicited competing offers and thus complying with its fiduciary duties in a situation in which

the Nordic Lights Board has been contacted by a competing offeror without the Nordic Lights Board having initiated the matter, or if circumstances otherwise substantially change.

Background for the Statement

Pursuant the Helsinki Takeover Code, the Nordic Lights Board must prepare a public statement regarding the Offer.

The statement must include a well-founded assessment of the Offer from the perspective of Nordic Lights and its shareholders as well as of the strategic plans presented by the Offeror in the Offer Document and their likely effects on the operations of, and employment at, Nordic Lights.

For the purposes of issuing this statement, the Offeror has on March 7, 2023 submitted to the Nordic Lights Board a draft versions of a Finnish and English language Offer Document (the “**Draft Offer Document**”).

In preparing its statement, the Nordic Lights Board has relied on information provided in the Draft Offer Document by the Offeror and certain other information provided by the Offeror and has not independently verified this information. Accordingly, the Nordic Lights Board’s assessment of the consequences of the Offer on Nordic Lights’ business and employees should be treated with caution.

Assessment Regarding Strategic Plans Presented by the Offeror in the Draft Offer Document and Their Likely Effects on the Operations of, and Employment at, Nordic Lights

Information Given by the Offeror in the Draft Offer Document

The Nordic Lights Board has assessed the Offeror’s strategic plans based on the statements made in the Company’s and the Offeror’s announcement of the Offer published on February 28, 2023 (the “**Offer Announcement**”) and the Draft Offer Document.

Methode has great admiration for Nordic Lights and is impressed with the Company’s global market position, strategic customer relationships and differentiated product offering. Methode considers Nordic Lights to be highly complementary to its existing LED lighting solutions and believes it would be an ideal partner to support the continued growth of the Company while creating value through complementary product and manufacturing characteristics.

Methode believes it would add greater scale to Nordic Lights’ business and reduce its reliance on the construction and mining markets. Leveraging the Methode brand, Nordic Lights would be able to cross-sell its products to the broader Methode customer base. Methode’s auto and commercial vehicle credentials and capabilities can help Nordic Lights accelerate its driving lights business. Lastly, Methode can help Nordic Lights secure certificates for equipment used in explosive atmospheres (Ex) that will expand the market for Nordic Lights’ products.

Methode is enthusiastic about the prospect of partnering with the current management team to help grow and strengthen the Company’s business.

The completion of the Offer is not expected to have any immediate material effects on the operations, the assets, the position of the management or employees, or the location of the offices of Nordic Lights. However, as is customary in connection with public tender offers, the Offeror intends to change the composition of the Board of Directors of Nordic Lights after the completion of the Offer.

Board Assessment

The Nordic Lights Board believes that it will benefit from Montana’s experience in the industry and partnering up with Montana would further accelerate Nordic Lights’ successful growth.

The Nordic Lights Board considers that the information on the Offeror’s strategic plans concerning Nordic Lights included in the Draft Offer Document is of a general nature. However, based on the information presented to Nordic Lights and the Nordic Lights Board, the Nordic Lights Board believes that the completion of the Offer is not expected to have any immediate material effects on Nordic Lights’ operations or the position of the employees of Nordic Lights.

On the date of this statement, the Nordic Lights Board has not received any formal statements as to the effects of the Offer to the employment at Nordic Lights from Nordic Lights' employees.

Assessment Regarding Financing Presented by the Offeror in the Draft Offer Document

Information Given by the Offeror in the Draft Offer Document

The Nordic Lights Board has assessed the Offeror's financing confirmation, the statements made in the Offer Announcement and the Draft Offer Document. Furthermore, the Company's financial adviser Skandinaviska Enskilda Banken AB (publ) Helsinki Branch ("**SEB**") and legal adviser Roschier, Attorneys Ltd have reviewed the Offeror's confirmation of certain funds dated 28 February, 2023 ("**Confirmation of Certain Funds**").

Pursuant to the Draft Offer Document, the Offeror will finance the Offer at completion and compulsory redemption proceedings, if any, through a combination of cash funds available within the Methode group and debt financing provided by Methode's available credit facilities. The funds required for the financing of the Offer are available to Montana on a certain funds basis under a funding commitment from Methode, to fully finance the Offer at completion and compulsory redemption proceedings, if any, as well as the possible payment of a termination fee by the Offeror pursuant to the Combination Agreement. The Offeror's obligation to complete the Offer is not conditional upon availability of financing.

The Offeror's Representations and Warranties in the Combination Agreement

In the Combination Agreement, the Offeror represents and warrants to Nordic Lights that the Offeror has access to capital in a sufficient amount, as evidenced in the Confirmation of Certain Funds, to finance the payment of the aggregate Offer Consideration for all of the Shares in connection with the Offer at completion and in connection with any subsequent compulsory redemption proceedings and the possible payment of the termination fee by the Offeror. The Offeror's obligation to complete the Offer is not conditional upon availability of financing.

Board Assessment

Based on the information made available by the Offeror to the Company, the Nordic Lights Board believes that the Offeror has secured necessary and adequate financing in sufficient amounts in the form of cash funds and debt financing, as evidenced in the Confirmation of Certain Funds, in order to finance the Offer at completion and compulsory redemption proceedings, if any, in accordance with the requirement set out in Chapter 11, Section 9 of the Finnish Securities Markets Act as well as a possible payment of a termination fee by the Offeror pursuant to the combination agreement.

Assessment of the Offer from the Perspective of Nordic Lights and its Shareholders

When evaluating the Offer, analysing alternative opportunities available to Nordic Lights and concluding on its statement, the Nordic Lights Board has considered several factors, including, but not limited to, Nordic Lights' recent financial performance, current position and future prospects, the historical performance of the trading price as well as moderate to low trading volumes of Nordic Lights' share, in particular, relative to larger industry peers and the conditions for the Offeror to complete the Offer.

The Nordic Lights Board's assessment of continuing the business operations of Nordic Lights as an independent company has been based on reasonable future-oriented estimates, which include various uncertainties, whereas the Offer Consideration and the premium included therein is not subject to any uncertainty other than the fulfilment of the conditions to completion of the Offer.

To support its assessment of the Offer, the Nordic Lights Board has received a fairness opinion, dated February 27, 2023, from Nordic Lights' financial adviser, SEB, concerning the Offer Consideration (the "**Fairness Opinion**"). The Fairness Opinion is attached as Appendix 1 to this statement.

The Nordic Lights Board believes that the Offer Consideration is fair to the shareholders based on its assessment of the matters and factors, which the Nordic Lights Board has concluded to be material in evaluating the Offer. These matters and factors include, but are not limited to:

- the information and assumptions on the business operations and financial condition of Nordic Lights as at the date of this statement and their expected future development, including an assessment of expected risks and opportunities related to the implementation and execution of Nordic Lights' current strategy;
- the premium being offered for the Shares;
- the historical trading price and the moderate to low trading volumes of Nordic Lights' shares, in particular relative to larger industry peers;
- liquidity available to shareholders tendering their Shares in the Offer;
- transaction certainty, and that the conditions of the Offer are reasonable and customary;
- valuation multiples of Nordic Lights' share compared to the industry multiples before the announcement of the Offer;
- valuations and analysis made and commissioned by the Nordic Lights Board as well as discussions with an external financial adviser; and
- the Fairness Opinion issued by SEB.

In addition, the Nordic Lights Board considers the Offer Consideration level and the major shareholders' support for the Offer in the form of irrevocable undertakings as well as Varma's and Thomasset's positive view of the Offer to positively affect the ability of the Offeror to gain control of more than 90 percent of the Shares and, thereby, help successfully complete the Offer. Major shareholders holding in aggregate approximately 56.5 percent of the Shares and votes in Nordic Lights have irrevocably undertaken to accept the Offer. The Nordic Lights Board has especially considered Sponsor's irrevocable undertaking, including the Individual Partners' irrevocable undertakings, that represent 39.2 percent of the shares and votes in Nordic Lights, and the fact that it does not terminate in the event of superior competing offers.

The Nordic Lights Board has concluded that the relevant business prospects of Nordic Lights would provide opportunities for Nordic Lights to develop its business as an independent company for the benefit of Nordic Lights and its shareholders. However, taking into consideration the risks and uncertainties associated with such stand-alone approach as well as the terms and conditions of the Offer included in the Draft Offer Document, the Nordic Lights Board has concluded that the Offer is a favourable alternative for the shareholders.

Recommendation of the Nordic Lights Board

The Nordic Lights Board has carefully assessed the Offer and its terms and conditions based on the Draft Offer Document, the Fairness Opinion, and other available information.

Based on the foregoing, the Nordic Lights Board considers that the Offer and the amount of the Offer Consideration are, under the prevailing circumstances, fair to Nordic Lights' shareholders.

Given the above-mentioned viewpoints, the members of the Nordic Lights Board that participated in the consideration and decision-making concerning the implications of the Offer and this statement in Nordic Lights unanimously recommend that the shareholders of Nordic Lights accept the Offer.

In accordance with the disqualification provisions of the Finnish Companies Act and the Helsinki Takeover Code, members of the Board of Directors, Thomas Sandvall and Sami Heikkilä, who are closely associated with Sponsor Capital, a company that ultimately controls Sponsor, did not participate in the decision-making concerning the recommendation of the Board of Directors or the Combination Agreement due to their material connections to and interests in Sponsor Capital and Sponsor that has irrevocably undertaken to accept the Offer.

Certain Other Matters

The Nordic Lights Board notes that the transaction may, as is common in such processes, involve unforeseeable risks.

The Nordic Lights Board notes that the shareholders of Nordic Lights should also take into account the potential risks related to non-acceptance of the Offer. If the acceptance condition of more than 90 percent of the Shares and votes is waived, the completion of the Offer would reduce the number of Nordic Lights' shareholders and the number of shares, which would otherwise be traded on Nasdaq First North. Depending on the number of Shares validly tendered in the Offer, this could have an adverse effect on the liquidity and value of the shares in Nordic Lights. Furthermore, pursuant to the Finnish Companies Act, a shareholder that holds more than two-thirds of the shares and voting rights carried by the shares in a company has sufficient voting rights to decide upon certain corporate transactions, including, but not

limited to, a merger of the company into another company, an amendment of the articles of association of the company, a change of domicile of the company and an issue of shares in the company in deviation from the shareholders' pre-emptive subscription rights.

Pursuant to Chapter 18 of the Finnish Companies Act, a shareholder that holds more than 90 percent of all shares and votes in a company has a right to acquire and, subject to a demand by other shareholders, is also obligated to redeem the shares owned by the other shareholders. In such case, the Shares held by Nordic Lights' shareholders, who have not accepted the Offer, may be redeemed through redemption proceedings under the Finnish Companies Act in accordance with the conditions set out therein.

Nordic Lights and the Offeror have undertaken to comply with the Helsinki Takeover Code referred to in Chapter 11, Section 28 of the Finnish Securities Markets Act.

This statement of the Nordic Lights Board does not constitute investment or tax advice, and the Nordic Lights Board does not specifically evaluate herein the general price development or the risks relating to the Shares in general. Shareholders must independently decide whether to accept the Offer, and they should take into account all the relevant information available to them, including information presented in the Offer Document and this statement as well as any other factors affecting the value of the shares.

Nordic Lights has appointed SEB as financial adviser and Roschier, Attorneys Ltd. as legal adviser in connection with the Offer.

March 9, 2023

The Board of Directors of Nordic Lights

Appendix 1: Fairness Opinion

The Board of Directors
Nordic Lights Oyj
P.O. Box 36, Bennäsvägen/Pännäistentie 155
68601 Jakobstad/Pietarsaari
Finland

The Board of Directors of Nordic Lights Oyj ("**Nordic Lights**") (the "**Board**") has requested the opinion of SEB Corporate Finance, Skandinaviska Enskilda Banken AB (publ), Helsinki Branch ("**SEB Corporate Finance**") as to the fairness, from a financial point of view, of the offer consideration per Nordic Lights share amounting to EUR 6.30 in cash (the "**Offer Consideration**") proposed to be received by the shareholders of Nordic Lights pursuant to the public offer (the "**Offer**") by Methode Electronics, Inc. (the "**Offeror**"), which is planned to be announced on February 28, 2023 before the market opens in Helsinki.

In connection with the presentation of this opinion, SEB Corporate Finance has, *inter alia*, reviewed certain publicly available and other business and financial information relating to Nordic Lights (including annual and interim reports issued by Nordic Lights); certain financial forecasts and other information and data which were provided to or discussed with SEB Corporate Finance by the management of Nordic Lights and that Nordic Lights has instructed SEB Corporate Finance to use for the purposes of its analyses. In addition, SEB Corporate Finance has held discussions with certain members of the Board of Nordic Lights and senior members of the management of Nordic Lights concerning the businesses, operations, financial position and prospects of Nordic Lights; compared certain financial and stock exchange related information regarding Nordic Lights with similar information for certain other companies that SEB Corporate Finance considered relevant; reviewed the share price development and trading activity in the Nordic Lights shares on Nasdaq Helsinki; also discussed with certain large shareholders of Nordic Lights; and performed such other analyses and studies as SEB Corporate Finance has deemed appropriate as a basis for this opinion.

SEB Corporate Finance has relied, without independent verification, upon the accuracy in all material aspects of all of the financial and other information and data publicly available or provided to or otherwise reviewed by or discussed with SEB Corporate Finance and upon the assumption that no information of material importance to the evaluation of Nordic Lights future earnings capacity or for SEB Corporate Finance's assessment in general has been omitted.

With respect to financial forecasts and other information and data provided to or otherwise reviewed by or discussed with SEB Corporate Finance by the management of Nordic Lights, SEB Corporate Finance has been advised and assumed with your consent, that such financial forecasts and other information and data (including extrapolations thereto) were reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of Nordic Lights as to the future financial performance of Nordic Lights and the other matters covered thereby. SEB Corporate Finance further has assumed that the financial results reflected in the financial forecasts and other information and data used in its analyses will be realized at the times and in the amounts projected.

SEB Corporate Finance has not conducted any due diligence in order to verify the accuracy of the received or reviewed information, and has not made any independent evaluation or

assessment of the assets and liabilities (contingent, off-balance sheet or otherwise) of Nordic Lights or any other entity, nor has SEB Corporate Finance been furnished with any such evaluation or assessment or made any physical inspection of the properties or assets of Nordic Lights or any other entity. SEB Corporate Finance is not expressing any opinion with respect to accounting, tax, regulatory, legal or similar matters and it has relied upon the assessments of representatives of Nordic Lights as to such matters.

This opinion does not address any terms (other than the Offer Consideration to the extent expressly specified herein) or other aspects or implications of the Offer, including, without limitation, the form or structure of the Offer. SEB Corporate Finance's assignment does not include expressing an opinion on the relative merits of the Offer as compared to any alternative business strategies that might exist for Nordic Lights, including whether any other transaction would potentially be more favourable for the shareholders of Nordic Lights, or the effect of any other transaction in which Nordic Lights might engage. SEB Corporate Finance also expresses no view as to, and this opinion does not address, the fairness (financial or otherwise) of the amount or nature or any other aspect of any compensation to any officers, directors or employees of any parties to the Offer, or any class of such persons, relative to the Offer Consideration to be paid to the shareholders of Nordic Lights or otherwise.

SEB Corporate Finance's opinion is based upon current market, economic, financial and other conditions as in effect on, and upon the information made available as of the date hereof. Any change in such conditions or information may require a revaluation of this opinion. Although subsequent developments may affect this opinion, SEB Corporate Finance assumes no obligation to update, revise or reaffirm this opinion. This opinion does not include any assessment as to the actual value of the prices at which Nordic Lights shares or any other securities will trade or otherwise will be transferable at any time, including following announcement or consummation of the Offer.

Skandinaviska Enskilda Banken AB ("**SEB**") is a leading bank in the Nordic market and offers its clients various financial services, including providing and arranging loans, and also has operations within securities trading and brokerage, equity research and corporate finance. As a result of its position in the Nordic market, SEB might have provided and may in the future provide investment banking, commercial banking and other financial services unrelated to the Offer to Nordic Lights, the Offeror and/or their respective affiliates, for which services SEB and its affiliates may receive customary compensation. In addition, in the ordinary course of business within securities trading and brokerage, SEB and any of its affiliates may, at any point in time, for its own or its clients' accounts trade or hold positions in the shares and other securities issued by Nordic Lights or the Offeror.

SEB Corporate Finance has acted as financial advisor to Nordic Lights in connection with the Offer and will receive a fee for its advisory services, a substantial portion of which is contingent upon the consummation of the Transaction. In addition, Nordic Lights has agreed to reimburse SEB Corporate Finance's expenses and to indemnify SEB Corporate Finance against certain liabilities arising out of its engagement.

SEB Corporate Finance's advisory services and this opinion are provided for the information of and assistance to the Board in connection with its consideration of the Offer and does not

constitute a recommendation as to whether the shareholders of Nordic Lights should accept the Offer or how any such shareholder should act on any matters relating to the Offer or otherwise.

Based upon and subject to the foregoing, it is SEB Corporate Finance's opinion that, as of the date hereof, the Offer Consideration to be received in the Offer by shareholders of Nordic Lights is fair, from a financial point of view, to such shareholders.

Any disputes relating to this letter shall be settled exclusively by Finnish courts and according to Finnish law.

Helsinki, February 27, 2023

Yours faithfully,

SEB Corporate Finance, Skandinaviska Enskilda Banken AB (publ), Helsinki Branch