

# TENDER OFFER DOCUMENT

January 29, 2024

## Voluntary Public Cash Tender Offer by European 24 Bidco Oy for All Issued and Outstanding Shares and Stock Options in Efecte Plc

European 24 Bidco Oy (the “**Offeror**”) hereby offers 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 “**Tender Offer Document**”), (i) all of the issued and outstanding shares in Efecte Plc (the “**Company**” or “**Efecte**”) that are not held by the Company or its subsidiaries (the “**Shares**” or, individually, a “**Share**”) and (ii) all of the issued and outstanding stock options 2018B, 2018C, 2021A, 2021A1, 2021B, 2021B1 and 2021C that are not held by the Company or any of its subsidiaries (the “**Stock Options**” or, individually, a “**Stock Option**”) (the “**Tender Offer**”).

The Offeror is a private limited liability company incorporated and existing under the laws of Finland. As at the date of this Tender Offer Document, the Offeror is directly wholly owned by Matrix42 Holding GmbH (“**Matrix42**”), a corporation incorporated and existing under the laws of Germany, which is the holding entity of the Matrix42 Group headquartered in Frankfurt. Matrix42 is owned by funds advised by Corten Advisors UK LLP (“**Corten Capital**”), which is a private equity firm incorporated and existing under the laws of the United Kingdom.

The Offeror has secured the required equity and debt financing to finance the Tender Offer at completion in accordance with its terms and conditions, and subsequent compulsory redemption proceedings, if any, in accordance with the Finnish Companies Act (624/2006, as amended, the “**Finnish Companies Act**”) For details, please see “*Background And Objectives – Financing of the Tender Offer*”

Efecte 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 Tender Offer was announced by the Offeror on January 18, 2024 (the “**Announcement**”). The price offered for each Share validly tendered in the Tender Offer is EUR 15.00 in cash (the “**Share Offer Price**”). The price offered for each outstanding Stock Option 2018B validly tendered in the Tender Offer is EUR 10.00 in cash (the “**Option 2018B Offer Price**”), the price offered for each outstanding Stock Option 2018C validly tendered in the Tender Offer is EUR 10.61 in cash (the “**Option 2018C Offer Price**”), the price offered for each outstanding Stock Option 2021A validly tendered in the Tender Offer is EUR 0.01 in cash (the “**Option 2021A Offer Price**”), the price offered for each outstanding Stock Option 2021A1 validly tendered in the Tender Offer is EUR 0.01 in cash (the “**Option 2021A1 Offer Price**”), the price offered for each outstanding Stock Option 2021B validly tendered in the Tender Offer is EUR 3.77 in cash (the “**Option 2021B Offer Price**”), the price offered for each outstanding Stock Option 2021B1 validly tendered in the Tender Offer is EUR 3.77 in cash (the “**Option 2021B1 Offer Price**”) and the price offered for each outstanding Stock Option 2021C validly tendered in the Tender Offer is EUR 4.69 in cash (the “**Option 2021C Offer Price**”, and together with Option 2018B Offer Price, Option 2018C Offer Price, Option 2021A Offer Price, Option 2021A1 Offer Price, Option 2021B Offer Price and Option 2021B1 Offer Price, the “**Option Offer Price**”).

The offer period of the Tender Offer will commence on January 30, 2024 at 9:30 a.m. (Finnish time) and expire on March 5, 2024 at 4:00 p.m. (Finnish time), unless the offer period is extended or any extended offer period is discontinued (the “**Offer Period**”). For details, please see “*Terms and Conditions of the Tender Offer*”.

The completion of the Tender Offer is subject to the satisfaction of the conditions described under Section “*Terms and Conditions of the Tender Offer – Conditions to Completion of the Tender Offer*” of this Tender Offer Document. The Offeror reserves the right to waive any of the conditions to completion of the Tender Offer or to withdraw the Tender Offer as described under “*Terms and Conditions of the Tender Offer*”.

Certain major shareholders of Efecte, including members of Efecte’s Board of Directors and Leadership Team, together representing approximately 26.4 percent of all Shares and votes in Efecte and 63.9 percent of the Stock Options, have irrevocably undertaken to accept the Tender Offer, and these irrevocable undertakings will only terminate in case the Offeror will not pursue or complete (or will cancel) the Tender Offer or if the Offeror waives or lowers the acceptance threshold to less than two thirds of the Shares. In addition, certain other shareholders, together representing approximately 15.8 percent of all Shares and votes in Efecte, have irrevocably undertaken to accept the Tender Offer, provided that such irrevocable undertakings will terminate in case the Offeror will not pursue or complete (or will cancel) the Tender Offer, or, under certain circumstances, in the event that a competing tender offer is announced by a third party with a consideration of at least 10 percent higher than the Share Offer Price. All irrevocable undertakings represent in the aggregate approximately 44.1 percent of the Shares on a fully diluted basis (assuming full conversion of the Stock Options into shares in Efecte). For additional details, see “*Background and Objectives – Support by Certain Major Shareholders and Management Shareholders of Efecte*”.

The Offeror and Efecte have on January 18, 2024 entered into a combination agreement (the “**Combination Agreement**”). The Board of Directors of Efecte has unanimously decided to recommend in its statement issued pursuant to the Helsinki Takeover Code (as defined below) that the shareholders of Efecte and holders of Stock Options accept the Tender Offer (the “**Recommendation**”).

If the Tender Offer is completed and all the Shares and Stock Options validly tendered and not validly withdrawn are transferred to the Offeror, and the Offeror has acquired more than 90 percent of all the Shares and votes carried by the Shares in Efecte, the Offeror will commence compulsory redemption proceedings to redeem the remaining Shares in accordance with Chapter 18 of the Finnish Companies Act as soon as reasonably practicable after the completion of the Tender Offer.

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 Tender Offer Document, in particular under Section “*Terms and Conditions of the Tender Offer*”.

**THE TENDER OFFER IS NOT BEING MADE DIRECTLY OR INDIRECTLY IN ANY JURISDICTION WHERE PROHIBITED BY APPLICABLE LAW AND THIS TENDER 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 TENDER OFFER IS NOT MADE IN AND THIS TENDER 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 OR SOUTH AFRICA OR ANY OTHER JURISDICTION WHERE PROHIBITED BY APPLICABLE LAW.**

*Financial Adviser to the Offeror and Arranger of the Tender Offer*



## RESTRICTIONS AND IMPORTANT INFORMATION

This Tender 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 as well as 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 Tender Offer Document and the Tender Offer are governed by Finnish law and any disputes arising out of or in connection with this Tender Offer Document and/or the Tender 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 Efected, issued on January 29, 2024 and attached as Annex C to this Tender Offer Document, Efected has also undertaken to follow the Helsinki Takeover Code.

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

The Offeror, Matrix42 and Corten Capital, each respectively, reserve the right to acquire, or enter into arrangements to acquire, Shares and Stock Options before, during and/or after the Offer Period (including any extension thereof and any subsequent offer period) outside the Tender Offer in public trading on Nasdaq First North or otherwise.

The Tender 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 Tender Offer Document. Persons obtaining and/or into whose possession this Tender Offer Document comes are required to take due note and observe all such restrictions and obtain any necessary authorizations, approvals or consents. Neither the Offeror, Matrix42, Corten Capital nor 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 Tender 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 Tender Offer Document in jurisdictions other than Finland may be restricted by law and, therefore, persons into whose possession this Tender 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 Tender Offer is not being made, directly or indirectly, in or into Australia, Canada, Hong Kong, Japan, New Zealand or South Africa and this Tender Offer Document and any and all materials related thereto should not be sent in or into Australia, Canada, Hong Kong, Japan, New Zealand or South Africa (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 Tender 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 or South Africa. Accordingly, copies of this Tender 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 or South Africa or, in their capacities as such, to custodians, trustees, agents or nominees holding Shares for Australian, Canadian, Hong Kong, Japanese, New Zealander or South African 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 or South Africa. Any person accepting the Tender Offer shall be deemed to represent to the Offeror such person’s compliance with these restrictions and any purported acceptance of the Tender 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 Tender Offer must not use the mailing system of Australia, Canada, Hong Kong, Japan, New Zealand or South Africa for any purpose directly or indirectly related to acceptance of the Tender Offer. Envelopes containing acceptances must not be post marked in Australia, Canada, Hong Kong, Japan, New Zealand or South Africa. When completing the acceptance, shareholders wishing to accept the Tender Offer must provide an address that is not located in Australia, Canada, Hong Kong, Japan, New Zealand or South Africa. Shareholders will be deemed to have declined the Tender Offer if they (i) submit an envelope postmarked in Australia, Canada, Hong Kong, Japan, New Zealand or South Africa or (ii) provide an address located in Australia, Canada, Hong Kong, Japan, New Zealand or South Africa. Shareholders will be deemed to have declined the Tender Offer if they do not make the representations and warranties set out in the acceptance.

All financial and other information presented in this Tender Offer Document concerning the Company has been extracted from, and has been prepared exclusively based upon, publicly available information including the company release published by Efecte on January 18, 2024 regarding Efecte's preliminary financial information for the three months ending on December 31, 2023, the unaudited consolidated business review published by Efecte as at and for the nine months ended September 30, 2023, the unaudited consolidated interim report published by Efecte as at and for the six months ended June 30, 2023, and the Board of Directors' report and the audited consolidated financial statements published by Efecte as at and for the financial 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 Tender Offer Document will not be supplemented or updated with any financial information or other company releases published by Efecte after the date of this Tender Offer Document nor will the Offeror otherwise separately inform any person about the publication of any such financial information or other company releases by Efecte.

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 Tender Offer.

Carnegie Investment Bank AB (publ), which is authorized and regulated by the Swedish Financial Supervisory Authority (Finansinspektionen), is acting through its Finland Branch ("**Carnegie**"). The Finland branch is authorized by the Swedish Financial Supervisory Authority and subject to limited regulation by the FIN-FSA (Finanssivalvonta). Carnegie is acting exclusively for the Company and no one else in connection with the Tender Offer and the matters set out in this Tender Offer Document. Neither Carnegie nor its affiliates, nor their respective partners, directors, officers, employees or agents are responsible to anyone other than the Company for providing the protections afforded to clients of Carnegie, or for giving advice in connection with the Tender Offer or any matter or arrangement referred to in this Tender Offer Document.

### **Information for shareholders and holders of Stock Options of Efecte in the United States**

Shareholders and holders of Stock Options of Efecte in the United States are advised that the Shares or Stock Options are not listed on a U.S. securities exchange and that Efecte is not subject to the periodic reporting requirements of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and is not required to, and does not, file any reports with the U.S. Securities and Exchange Commission (the "**SEC**") thereunder.

The Tender Offer will be made for the Shares and Stock Options of Efecte, which is domiciled in Finland, and is subject to Finnish disclosure and procedural requirements. The Tender Offer is made in the United States pursuant to Section 14(e) of, and Regulation 14E, under the Exchange Act, subject to the exemption provided under Rule 14d-1(d) under the Exchange Act, for a Tier II tender offer and otherwise in accordance with the disclosure and procedural requirements of Finnish law, including with respect to the Tender Offer timetable, settlement procedures, withdrawal, waiver of conditions and timing of payments, which are different from those applicable under the tender offer procedures and laws of the United States for domestic offers. In particular, the financial information included in this Tender 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 Tender Offer is made to Efecte's shareholders and holders of Stock Options resident in the United States on the same terms and conditions as those made to all other shareholders and holders of Stock Options of Efecte to whom an offer is made. Any informational documents, including this Tender Offer Document, are being disseminated to U.S. shareholders and holders of Stock Options on a basis comparable to the method that such documents are provided to Efecte's other shareholders and holders of Stock Options.

As permitted under the Tier II Exemption, the settlement of the Tender Offer is based on the applicable Finnish law provisions, which differ from the settlement procedures customary in the United States, particularly as regards to the time when payment of the consideration is rendered. The Tender Offer, which is subject to Finnish law, is being made to U.S. shareholders and holders of Stock Options in accordance with the applicable U.S. securities laws, and applicable exemptions thereunder, in particular the Tier II Exemption. To the extent the Tender Offer is subject to U.S. securities laws, those laws only apply to U.S. shareholders and holders of Stock Options and will not give rise to claims on the part of any other person. U.S. shareholders and holders of Stock Options should consider that the Share Offer Price and Option

Offer Price for the Tender 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 Tender Offer Document and during the pendency of the Tender Offer, and other than pursuant to the Tender 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, and the consideration in the Tender Offer must be increased to match any such consideration paid outside the Tender Offer. 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 and holders of Stock Options of Efecte of such information. In addition, the financial adviser to the Offeror may also engage in ordinary course trading activities in securities of Efecte, 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 SEC nor any U.S. state securities commission has approved or disapproved the Tender Offer, passed upon the merits or fairness of the Tender Offer, or passed any comment upon the adequacy, accuracy or completeness of the disclosure in relation to the Tender Offer. Any representation to the contrary is a criminal offence in the United States.

The receipt of cash pursuant to the Tender Offer by a U.S. holder of Shares or Stock Options may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other, tax laws. Each holder of Shares or Stock Options is urged to consult its independent professional advisers immediately regarding the tax and other consequences of accepting the Tender Offer.

It may be difficult for Efecte's shareholders or holders of Stock Options to enforce their rights and any claims they may have arising under the U.S. federal securities laws, since the Offeror and Efecte are located in non-U.S. jurisdictions and some or all of their respective officers and directors may be residents of non-U.S. jurisdictions. Efecte's shareholders or holders of Stock Options may not be able to sue the Offeror or Efecte 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 and Efecte and their respective affiliates to subject themselves to a U.S. court's judgment.

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

#### **Availability of Documents**

The Finnish language version of this Tender Offer Document is available on the internet at <https://efecte.tenderoffer.fi/> and <http://www.danskebank.fi/efecte> as of January 29, 2024. This English language translation of the Tender Offer Document will be available on the internet at <https://efecte.tenderoffer.fi/en/> and <http://www.danskebank.fi/efecte-en> as of January 29, 2024.

#### **Forward-looking Statements**

This Tender 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 Tender Offer Document and the Offeror undertakes no obligation to update or revise any forward-looking statements.

### Certain Key Dates

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

Announcement of the Tender Offer.....	January 18, 2024
Offer Period commences .....	January 30, 2024
Offer Period expires at the earliest, unless extended or discontinued in accordance with, and subject to, the terms and conditions of the Tender Offer and applicable laws and regulations; any possible extension of the Offer Period will be announced by way of a company release.....	March 5, 2024
Announcement of the preliminary result of the Tender Offer (preliminary) .....	March 6, 2024
Announcement of the final result of the Tender Offer (preliminary) .....	March 8, 2024
Payment of the Share Offer Price and the Option Offer Price (preliminary) .....	March 26, 2024

Due to the anticipated process for obtaining the necessary regulatory approvals, permits, clearances and consents required for the completion of the Tender Offer, including without limitation approvals required under applicable foreign direct investment laws, the Tender Offer is currently expected to be completed at the end of the first quarter or at the beginning of the second quarter of 2024. In case the 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 well as any other information required to be announced in accordance with applicable laws and regulations.

For further information, please see Sections “*Background and Objectives – Regulatory Approvals*”, “*Terms and Conditions of the Tender Offer – Offer Period*” and “*Terms and Conditions of the Tender Offer – Conditions to Completion of the Tender Offer*”.

## **PARTIES RESPONSIBLE FOR THE TENDER OFFER DOCUMENT**

### **The Offeror**

#### **European 24 Bidco Oy**

Address: c/o Roschier, Attorneys Ltd.  
Kasarmikatu 21 A  
FI-00130 Helsinki, Finland  
Domicile: Helsinki, Finland

### **The Board of Directors of the Offeror**

Simon Begg  
Niklas Nikolai  
Neil Patel

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

All information concerning Efecte presented in this Tender 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 Efecte, no facts have been omitted which would render the reproduced information incorrect or misleading.

January 29, 2024

European 24 Bidco Oy

## **ADVISERS TO THE OFFEROR**

**Financial Adviser to the Offeror in connection with the Tender Offer and the Arranger of the Tender Offer**

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

**Legal Adviser to the Offeror and Corten Capital in connection with the Tender Offer**

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

## **ADVISERS TO EFECTE**

**Financial Adviser to Efecte in connection with the Tender Offer**

**Carnegie Investment Bank AB, Finland Branch**  
Eteläesplanadi 2  
FI-00130 Helsinki  
Finland

**Legal Adviser to Efecte in connection with the Tender Offer**

**Castrén & Snellman Attorneys Ltd**  
Eteläesplanadi 14  
FI-00130 Helsinki  
Finland

## TABLE OF CONTENTS

RESTRICTIONS AND IMPORTANT INFORMATION.....	i
PARTIES RESPONSIBLE FOR THE TENDER OFFER DOCUMENT .....	v
ADVISERS TO THE OFFEROR.....	vi
BACKGROUND AND OBJECTIVES .....	1
INFORMATION ON THE PRICING OF THE TENDER OFFER .....	5
SUMMARY OF THE COMBINATION AGREEMENT .....	8
TERMS AND CONDITIONS OF THE TENDER OFFER .....	15
PRESENTATION OF THE OFFEROR.....	24
PRESENTATION OF EFECTE.....	25

## TABLE OF CONTENTS FOR ANNEXES

### ANNEX A Financial Information of Efecte

- Company release published by Efecte on January 18, 2024, regarding Efecte's preliminary financial information for the three months ending on December 31, 2023
- Unaudited consolidated business review published by Efecte as at and for the nine months ended September 30, 2023.
- Unaudited consolidated interim report published by Efecte as at and for the six months ended June 30, 2023.
- Board of Directors' report and the audited consolidated financial statements published by Efecte as at and for the financial year ended December 31, 2022.

### ANNEX B Articles of Association of Efecte

### ANNEX C Statement by the Board of Directors of Efecte



## BACKGROUND AND OBJECTIVES

### Background to the Tender Offer and Offeror's Strategic Plans

Corten Capital acquired Matrix42 in July 2021 as a leading DACH-focused provider of a service management software suite, with the ambition to build a European service management champion with a broad set of solutions to automate and streamline complex workflows for customers within and beyond the IT function. With Corten Capital's support, since 2021 Matrix42 has continued its strong organic growth across Germany, Austria and Switzerland as well as in France, Italy and other EMEA markets. Service management is a large, high-growth and fragmented market and Matrix42 is well positioned to continue to grow both organically and through strategic acquisitions.

Matrix42 views Efecte as a highly complementary acquisition due to its strong reputation, its leading position in the Nordic markets, its world-class team of service management professionals and its shared vision to build a European service management champion. Efecte has built a market-leading position in Finland since its foundation in 1998, and in recent years it has developed a growing commercial footprint in Sweden, Germany and Poland. Together, Matrix42 and Efecte will constitute a scaled European player in the service management market, with 550 employees serving over 4,750 customers across 30 countries.

Both Matrix42 and Efecte serve midmarket and enterprise customers requiring service management solutions with rich and extensive functionality adapted to their organizational needs. The two firms have an aligned strategy and complementary products and customers, and their combination will provide an enlarged market presence and enhanced resources for technology and product innovation. Matrix42 and Efecte will both continue to deliver their existing solutions to their respective customers, and both remain committed to their innovation roadmaps for their respective product offerings. The combination will enable Matrix42 and Efecte and their respective customers to benefit from complementary product capabilities over time. Together, Matrix42 and Efecte will have increased scale, talent and capital to pursue and accelerate their growth ambition.

Matrix42 seeks to acquire all Shares and Stock Options in Efecte and is making a highly compelling offer to Efecte's shareholders and holders of Stock Options. The Tender Offer enables the Company's shareholders and holders of Stock Options to realize their held securities in Efecte at an attractive premium of 90.8% compared to the closing price (EUR 7.86) of the Share on Nasdaq First North on January 17, 2024, the last trading day immediately preceding the announcement of the Tender Offer.

The Offeror and Efecte have on January 18, 2024, entered into the Combination Agreement pursuant to which the Offeror is committed to make the Tender Offer. The principal terms and conditions of the Combination Agreement have been described in "*Summary of the Combination Agreement*" below.

After reviewing the Tender Offer and its terms and conditions, as well as other available information, the Board of Directors of Efecte has unanimously decided to recommend that the shareholders of Efecte and the holders of Stock Options accept the Tender Offer (see "*– Statement by the Board of Directors of Efecte*" and Annex C below). The Board of Directors of Efecte received an opinion, dated January 18, 2024, of Efecte's financial adviser, Carnegie, to the effect that, as of the date of such opinion, the Share Offer Price to be paid to the holders of Shares pursuant to the Tender Offer was fair from a financial point of view to such holders of Shares, which opinion was based upon and subject to the assumptions made, procedures followed, matters considered and limitations and qualifications on the review undertaken as more fully described in such opinion. The opinion was provided for the use and benefit of the Board of Directors of Efecte and does not constitute a recommendation as to whether any holders of Shares should tender such Shares in connection with the Tender Offer or how any holders of Shares should act in connection with the Tender Offer or any related matter. The complete opinion is attached as Appendix 1 to the statement of the Board of Directors of Efecte.

Certain major shareholders of Efecte, including members of Efecte's Board of Directors and Leadership Team, together representing approximately 26.4 percent of all Shares and votes in Efecte and 63.9 percent of the Stock Options, have irrevocably undertaken to accept the Tender Offer, and these irrevocable undertakings will only terminate in case the Offeror will not pursue or complete (or will cancel) the Tender Offer or if the Offeror waives or lowers the acceptance threshold to less than two thirds of the Shares. In addition, certain other shareholders, together representing approximately 15.8 percent of all Shares and votes in Efecte, have irrevocably undertaken to accept the Tender Offer, provided that such irrevocable undertakings will terminate in case the Offeror will not pursue or complete (or will cancel) the Tender Offer, or, under certain circumstances, in the event that a competing tender offer is announced by a third party with a consideration of at least 10 percent higher than the Share Offer Price. All irrevocable undertakings represent in the aggregate approximately 44.1 percent of the Shares on a fully diluted basis (assuming full conversion of the Stock Options into shares in Efecte). For additional details, see "*Background and Objectives – Support by Certain Major Shareholders and Management Shareholders of Efecte*".

## **Effects on the Operations and Assets of Efecte and on its Management and Employees**

The completion of the Tender 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 Efecte. However, as is customary, the Offeror intends to change the composition of the Board of Directors of Efecte after the completion of the Tender Offer.

See also “– *Financing of the Tender Offer*” and “– *Offeror’s Future Plans in Respect of the Shares and Stock Options – 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 Share Offer Price and the Option Offer Price, the completion of the Tender Offer is not expected to have any immediate material effects on the operations or assets of the Offeror, the position of the Offeror’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**

The Offeror and Efecte have undertaken to comply with the Helsinki Takeover Code.

## **Remuneration and Other Benefits Paid to the Management of Efecte on the Basis of the Completion of the Tender 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 Efecte payable in return for the execution of the Combination Agreement and/or for the completion of the Tender Offer. See also Section “– *Share-based Incentive Plans of Efecte*” below.

## **Share-based Incentive Plans of Efecte**

In addition to the Stock Options, the Company has two share-based incentive schemes valid and in force as of the date of this Tender Offer Document consisting of the Performance Share Plan 2023–2025 and 2023–2026 and the Employee Share Savings Plan (the Performance Share Plan 2023–2025 and 2023–2026, and the Employee Share Savings Plan together the “**Share-Based Incentive Schemes**”).

The Company has in the Combination Agreement agreed to settle in cash all outstanding rewards to be paid under the Share-Based Incentive Schemes and terminate the Share-Based Incentive Schemes with no further liability or obligation by the Company, in each case, in accordance with the terms and conditions of the Share-Based Incentive Schemes upon the completion of the Tender Offer.

## **Financing of the Tender Offer**

The Offeror has received an equity commitment, as evidenced in the equity commitment letter from Corten Capital I, LP addressed to the Offeror and debt commitments, as evidenced in a debt commitment letter from Golub Capital LLC on behalf of certain of its affiliated, similarly managed and/or related funds and addressed to the Offeror and its indirect parent company, Neo Midco S.à r.l., in each case, to finance the Tender Offer at completion and compulsory redemption proceedings, if any. Golub Capital LLC’s debt commitment to the Offeror and its indirect parent company, Neo Midco S.à r.l., has been committed on a customary European “certain funds” basis and the debt financing’s availability is subject only to the following limited conditions: (i) no event of default relating to non-payment, breach of certain major undertakings, major misrepresentation, cross default, certain insolvency proceedings (or certain similar proceedings), unlawfulness or repudiation and rescission of certain agreements, is continuing or would result from the drawdown; (ii) no event of illegality in respect of the lenders or certain change of control events having occurred; and (iii) the provision of certain customary documentary and commercial conditions precedent each of which is satisfied, in a customary form, or within the control of the Offeror. The Offeror’s obligation to complete the Tender Offer is not conditional upon availability of financing (assuming that all the conditions to completion of the Tender Offer are satisfied or waived by the Offeror).

The financing of the Tender Offer is not expected to have a material impact on the operations or obligations of Efecte upon completion of the Tender Offer.

## **Offeror's Future Plans in Respect of the Shares and Stock Options**

### ***Purpose of the Tender Offer***

The Offeror's intention is to acquire all of the issued and outstanding Shares and Stock Options 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.

### ***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.

After the completion of the Tender Offer, should the Offeror obtain more than ninety (90) percent of the Shares and voting rights carried by the Shares in Efecte, 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 as soon as reasonably practicable. The compulsory redemption procedure is set forth in more detail in the Finnish Companies Act. Since the Share Offer Price is subject to further reduction for the distribution or declaration of any dividends, the Offeror intends to request for the redemption price to be similarly reduced if any distribution is paid to the shareholders of Efecte prior to the Offeror acquiring the remaining Shares in the compulsory redemption proceedings. In connection with any such redemption proceedings, the Offeror intends to also redeem any such Stock Options which have not been validly tendered in the Tender Offer, or otherwise acquired by the Offeror, in accordance with the terms and conditions of such Stock Options.

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 Tender 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 Tender Offer, and should the Offeror's shareholding in Efecte be less than ninety (90) percent of the Shares and voting rights carried by the Shares, it is still possible that Efecte 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 Efecte have agreed that after the Offeror has publicly confirmed that it will complete the Tender Offer, the Board of Directors of the Company shall, within four (4) business days of a written request by the Offeror, resolve to convene an extraordinary general meeting of shareholders of the Company for the purpose of electing new members to the Board of Directors and addressing any other agenda items reasonably proposed by the Offeror. For more information on an amendment to or a waiver of the conditions to completion of the Tender Offer, see "*Summary of the Combination Agreement – Conditions to Completion*" and "*Terms and Conditions of the Tender Offer – Conditions to Completion of the Tender Offer*".

### **Statement by the Board of Directors of Efecte**

After reviewing the Tender Offer and its terms and conditions, as well as other available information, the Board of Directors of Efecte has unanimously decided to recommend that the shareholders of Efecte and the holders of Stock Options accept the Tender Offer. The statement of the Board of Directors of the Company containing the Recommendation is included in Appendix C to the Tender Offer Document.

The Board of Directors of Efecte received an opinion, dated January 18, 2024, of Efecte's financial adviser, Carnegie Investment Bank AB, Finland Branch, to the effect that, as of the date of the such opinion, the Share Offer Price to be paid to the holders of Shares pursuant to the Tender Offer was fair from a financial point of view to such holders of Shares, which opinion was based upon and subject to the assumptions made, procedures followed, matters considered and limitations and qualifications on the review undertaken as more fully described in such opinion. The opinion was provided for the use and benefit of the Board of Directors of Efecte and does not constitute a recommendation as to whether any holders of Shares should tender such Shares in connection with the Tender Offer or how any holders of Shares should act in connection with the Tender Offer or any related matter. The complete opinion is attached as Appendix 1 to the statement of the Board of Directors of Efecte.

## **Support by Certain Major Shareholders and Management Shareholders of Efecte**

First Fellow Oy, Oy Fincorp Ab, Markku Montonen, Chair of Efecte's Board of Directors Pertti Ervi, member of Efecte's Board of Directors Turkka Keskinen and all members of the Leadership Team of Efecte, including CEO Niilo Fredrikson, together representing approximately 26.4 percent of all Shares and votes in Efecte and 63.9 percent of the Stock Options, have irrevocably undertaken to accept the Tender Offer. These irrevocable undertakings will remain in force regardless of any superior competing offers and will terminate in case the Offeror announces that it will not pursue or complete (or will cancel) the Tender Offer or if the Offeror announces that it will waive the acceptance threshold of more than 90 percent of the Shares in such a manner that the Tender Offer could be completed at an acceptance threshold of less than two thirds of the Shares or that it will lower the acceptance threshold of the Tender Offer to less than two thirds of the Shares.

In addition, Aktia Nordic Micro Cap Fund, Ilmarinen Mutual Pension Insurance Company and Alcur Fonder AB, together representing approximately 15.8 percent of all Shares and votes in Efecte, have irrevocably undertaken to accept the Tender Offer. These irrevocable undertakings will terminate in case the Offeror announces that it will not pursue or complete (or will cancel) the Tender Offer, or in the event that a competing tender offer is announced by a third party with a consideration of at least 10 percent higher than the Share Offer Price and the Offeror does not within seven business days match or exceed the consideration offered in such competing tender offer.

All irrevocable undertakings represent in aggregate approximately 44.1 percent of the Shares on a fully diluted basis (assuming full conversion of the Stock Options into shares in Efecte).

## **Regulatory Approvals**

The Offeror will, as soon as reasonably practicable, make all submissions, notifications and filings (or draft notifications as appropriate) required to obtain all necessary regulatory approvals, permits, clearances and consents, including without limitation approvals required under applicable foreign direct investment laws (or, where applicable, the expiry of relevant waiting periods) required under applicable regulatory laws in any jurisdiction for the completion of the Tender Offer. To the Offeror's knowledge, the Offeror is not under any obligation to obtain any approval from any regulatory authority for the completion of the Tender Offer other than an approval from the Ministry of Economic Affairs and Employment of Finland.

Based on currently available information, the Offeror expects to obtain approval from the Ministry of Economic Affairs and Employment of Finland and to complete the Tender Offer at the end of the first quarter or at the beginning of the second quarter of 2024. The Offeror will use its reasonable best efforts to obtain the regulatory approval. However, the length and outcome of the regulatory clearance process is not within the control of the Offeror, and there can be no assurances that clearance will be obtained within the estimated timeframe, or at all. 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 Tender Offer and applicable laws and regulations, in order to satisfy the conditions to completion of the Tender Offer.

## **Fees to Advisers**

The Offeror has appointed Danske Bank A/S, Finland Branch as financial adviser and arranger in connection with the Tender Offer and Roschier, Attorneys Ltd. as legal adviser and Miltton Ltd as the communication adviser in connection with the Tender Offer. The Offeror expects that the total fees payable to its advisers in connection with the Tender Offer that are dependent on the completion of the Tender Offer will be approximately EUR one million. A portion of such fees may be payable at the discretion of the Offeror.

## **Governing Law**

The Tender Offer and this Tender 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 TENDER OFFER

### Grounds for Determining the Share Offer Price and the Option Offer Price

The Tender Offer was announced by the Offeror on January 18, 2024. The Share Offer Price is EUR 15.00 in cash for each Share validly tendered in the Tender Offer, subject to any adjustments as described below.

The Option 2018B Offer Price is EUR 10.00 in cash for each outstanding Stock Option 2018B validly tendered in the Tender Offer, the Option 2018C Offer Price is EUR 10.61 in cash for each outstanding Stock Option 2018C validly tendered in the Tender Offer, the Option 2021A Offer Price is EUR 0.01 in cash for each outstanding Stock Option 2021A validly tendered in the Tender Offer, the Option 2021A1 Offer Price is EUR 0.01 in cash for each outstanding Stock Option 2021A1 validly tendered in the Tender Offer, the Option 2021B Offer Price is EUR 3.77 in cash for each outstanding Stock Option 2021B validly tendered in the Tender Offer, the Option 2021B1 Offer Price is EUR 3.77 in cash for each outstanding Stock Option 2021B1 validly tendered in the Tender Offer and the Option 2021C Offer Price is EUR 4.69 in cash for each outstanding Stock Option 2021C validly tendered in the Tender Offer, subject to any adjustments as described below.

The Share Offer Price has been determined based on 6,446,542 issued and outstanding Shares, as at the date of this Tender Offer Document. The Option 2018B Offer Price has been determined based on 77,825 Stock Options 2018B issued and outstanding, the Option 2018C Offer Price has been determined based on 103,750 Stock Options 2018C issued and outstanding, the Option 2021A Offer Price has been determined based on 118,650 Stock Options 2021A issued and outstanding, the Option 2021A1 Offer Price has been determined based on 24,000 Stock Options 2021A1 issued and outstanding, the Option 2021B Offer Price has been determined based on 128,145 Stock Options 2021B issued and outstanding, the Option 2021B1 Offer Price has been determined based on 19,500 Stock Options 2021B1 issued and outstanding and the Option 2021C Offer Price has been determined based on 138,850 Stock Options 2021C issued and outstanding, as at the date of this Tender Offer Document.

Should the Company change the number of the Shares that are issued and outstanding on the date of the Combination Agreement as a result of a new share issue, reclassification, stock split (including a reverse split) or any other similar transaction with dilutive effect other than as agreed to be permitted in relation to the Company's existing Share-Based Incentive Schemes, 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 any of the settlements of the completion trades (whether after the expiry of the Offer Period (as defined below) or any Subsequent Offer Period (as defined below)), the Share Offer Price and the Option Offer Price payable by the Offeror will be reduced accordingly on a euro-for-euro basis, as set out in Section "*Terms and Conditions of the Tender Offer – Share Offer Price and Option Offer Price*".

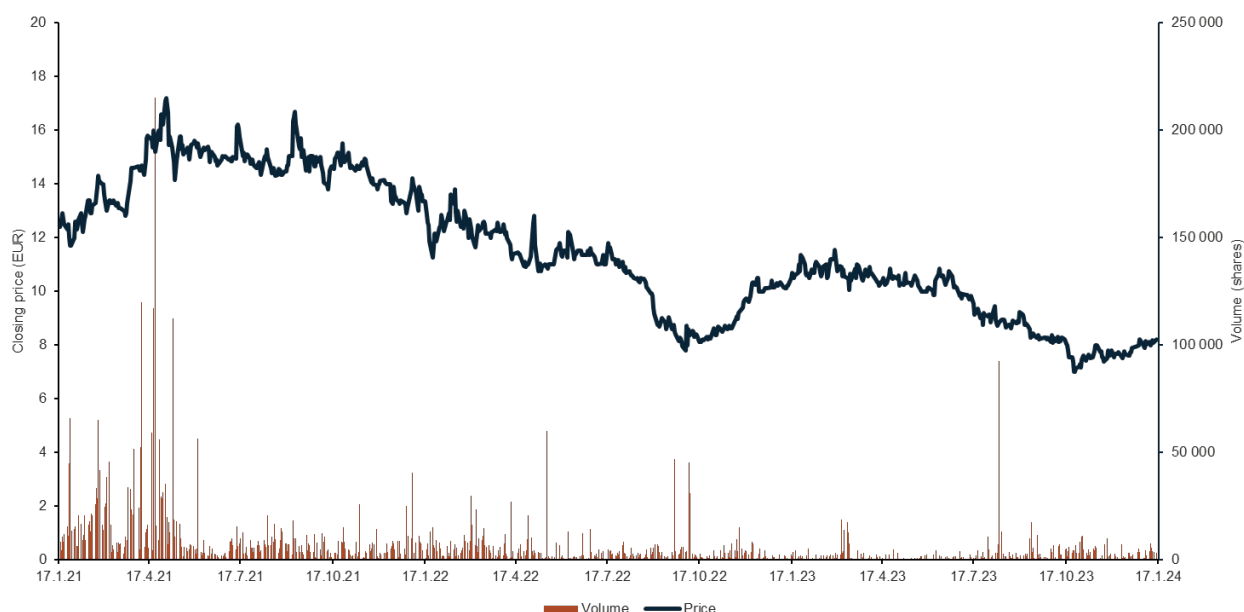
According to Chapter 11, Section 24 of the Finnish Securities Markets Act, the starting point in determining the consideration to be offered in a voluntary tender offer for all shares and other securities entitling their holder to shares in the target company must be the highest price paid for the securities 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 Announcement purchased any Shares or Stock Options 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 or Stock Options within the six (6) months preceding the Announcement at a price that would exceed the Share Offer Price or Option Offer Price, respectively.

### Trading Prices and Volumes of the Shares

The shares of Efecte are listed on Nasdaq First North under the trading code "EFFECTE". The ISIN code of the shares of Efecte is FI4000282868.

The following graph sets forth the price development and trading volume of the shares of Efecte on Nasdaq First North for the three years preceding the Announcement (*i.e.*, from January 17, 2021 to January 17, 2024):



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

Time period	Closing share price during the period (EUR)			Trading volume during the period	
	Average	High	Low	Shares	Euros
<b>2021</b>					
First quarter (from January 17, 2021) <sup>(1)</sup>	13.06	14.60	11.70	982,124	12,828,242
Second quarter	15.50	17.20	14.15	1,325,160	20,534,361
Third quarter	14.98	16.70	14.30	475,042	7,117,726
Fourth quarter	14.19	15.50	12.90	362,032	5,138,557
<b>2022</b>					
First quarter	12.61	14.20	11.25	456,873	5,760,961
Second quarter	11.40	12.80	10.75	301,394	3,436,685
Third quarter	9.76	11.80	7.96	248,260	2,423,475
Fourth quarter	8.98	10.50	7.80	247,640	2,222,650
<b>2023</b>					
First quarter	10.72	11.55	10.05	159,143	1,698,086
Second quarter	10.50	10.90	9.86	62,657	651,117
Third quarter	8.68	9.94	8.20	262,613	2,281,752
Fourth quarter	7.67	8.20	7.00	226,124	1,732,565
<b>2024</b>					
First quarter (until January 17, 2024)	8.07	8.20	7.86	41,877	338,133

### Share Offer Price

The Share Offer Price represents a premium of approximately:

- (i) 90.8 percent compared to the closing price of EUR 7.86 for the Share on Nasdaq First North on January 17, 2024, the last trading day immediately preceding the announcement of the Tender Offer;
- (ii) 96.3 percent compared to the three-month volume-weighted average trading price of EUR 7.64 for the Share on Nasdaq First North immediately preceding the announcement of the Tender Offer; and
- (iii) 83.4 percent compared to the six-month volume-weighted average trading price of EUR 8.18 for the Share on Nasdaq First North immediately preceding the announcement of the Tender Offer.

**Option Offer Price**

The Option 2018B Offer Price and the Option 2018C Offer Price correspond to the Share Offer Price minus the exercise price of Stock Options 2018B and Stock Options 2018C, respectively, as determined in the terms and conditions of the Company's option programme 2018. The Option 2021A Offer Price, the Option 2021A1 Offer Price, the Option 2021B Offer Price, the Option 2021B1 Offer Price and the Option 2021C Offer Price correspond to the Share Offer Price minus the exercise price of Stock Options 2021A, Stock Options 2021A1, Stock Options 2021B, Stock Options 2021B1 and Stock Options 2021C, respectively, as determined in the terms and conditions of the Company's option programme 2021. The Option Offer Price is, however, always a minimum of EUR 0.01.

**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 Tender 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 Tender Offer. Unless otherwise indicated, definitions in the summary have the meaning ascribed to them in the Tender Offer Document.*

### Background to the Combination Agreement

On January 18, 2024, the Offeror and the Company entered into the Combination Agreement pursuant to which the Offeror makes a voluntary recommended public cash tender offer for all Shares and Stock Options.

If the Offeror, as a result of the completion of the Tender Offer or otherwise, acquires Shares representing more than 90 percent of all the Shares and votes in the Company, then:

- a) the Offeror will commence, as soon as reasonably practicable, compulsory redemption proceedings in accordance with the Finnish Companies Act for all the remaining Shares. Thereafter, the Offeror will apply for the shares in Efected 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; and
- b) the Stock Options of the holders who have not accepted the Tender Offer will be transferred for redemption to the Offeror in accordance with the terms and conditions of the option programme 2018 and the option programme 2021, respectively, at the Option Offer Price applicable to such Stock Option.

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 Tender Offer shall be the date which is five (5) weeks after the date on which the Offer Period for the Tender 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 Tender Offer – Conditions to Completion of the Tender Offer*” shall have been satisfied (or waived by the Offeror)).

The Combination Agreement provides that the Offeror shall offer to acquire all the Shares validly tendered and not withdrawn for a consideration of EUR 15.00 in cash for each Share subject to the terms and conditions of the Tender Offer. In addition, the Offeror shall offer to acquire all the outstanding Stock Options validly tendered and not withdrawn for a consideration of EUR 10.00 in cash for each outstanding Stock Option 2018B, EUR 10.61 in cash for each outstanding Stock Option 2018C, EUR 0.01 in cash for each outstanding Stock Option 2021A, EUR 0.01 in cash for each outstanding Stock Option 2021A1, EUR 3.77 in cash for each outstanding Stock Option 2021B, EUR 3.77 in cash for each outstanding Stock Option 2021B1 and EUR 4.69 in cash for each outstanding Stock Option 2021C, subject to the terms and conditions of the Tender Offer.

The Share Offer Price has been determined based on 6,446,542 issued and outstanding Shares. The Option 2018B Offer Price has been determined based on 77,825 Stock Options 2018B issued and outstanding, the Option 2018C Offer Price has been determined based on 103,750 Stock Options 2018C issued and outstanding, the Option 2021A Offer Price has been determined based on 118,650 Stock Options 2021A issued and outstanding, the Option 2021A1 Offer Price has been determined based on 24,000 Stock Options 2021A1 issued and outstanding, the Option 2021B Offer Price has been determined based on 128,145 Stock Options 2021B issued and outstanding, the Option 2021B1 Offer Price has been determined based on 19,500 Stock Options 2021B1 issued and outstanding and the Option 2021C Offer Price has been determined based on 138,850 Stock Options 2021C issued and outstanding.

Should the Company change the number of the Shares that are issued and outstanding on the date of the Combination Agreement as a result of a new share issue, reclassification, stock split (including a reverse split) or any other similar transaction with dilutive effect other than as agreed to be permitted in relation to the Company’s existing Share-Based Incentive Schemes, 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 any of the settlements of the completion trades (whether after the expiry of the Offer Period (as defined below) or any Subsequent Offer Period (as defined below)), the Share Offer Price and the Option Offer Price payable by the Offeror will be reduced accordingly on a euro-for-euro basis, as set out in Section “*Terms and Conditions of the Tender Offer – Share Offer Price and Option Offer Price*”.



## Conditions to Completion

Under the Combination Agreement, the obligation of the Offeror to complete the Tender Offer is subject to the fulfilment or, to the extent permitted by applicable law, waiver by the Offeror of the conditions to completion set forth in Section “*Terms and Conditions of the Tender Offer – Conditions to Completion of the Tender Offer*” on or prior to the date of the Offeror’s announcement of the final result of the Tender Offer in accordance with Chapter 11, Section 18 of the Finnish Securities Market Act.

## Recommendation by the Board of Directors of Effecte

- a) The Board of Directors of the Company has unanimously decided, subject to the terms and conditions of the Combination Agreement, to recommend that the holders of the Shares and the holders of the Stock Options accept the Tender Offer and tender their Shares and Stock Options in the Tender Offer (the “**Recommendation**”). 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 has been included as Appendix C to this Tender Offer Document.
- b) The Board of Directors of the Company may at any time prior to the completion of the Tender Offer withdraw, modify, cancel or amend the Recommendation and take actions contradictory to the Recommendation (including by way of deciding not to issue the Recommendation), but only if the Board of Directors of the Company determines in good faith due to an Effect (as defined below) occurring after the date of the Combination Agreement or an Effect occurring prior to the date of the Combination Agreement of which the Board of Directors of the Company was not aware (having made, prior to the date of the Combination Agreement, reasonable enquiries of the President and CEO and the Group Management Board) as at the date of the Combination Agreement, after receiving written advice from its reputable external legal counsel and financial advisor(s) and after consultation with the Offeror, that such withdrawal, modification, cancellation or amendment of the Recommendation or contrary action is required for the Board of Directors of the Company to comply with its mandatory fiduciary duties towards the holders of the Shares under Finnish laws and regulations (such duties referred to as the “**Fiduciary Duties**”).

The Board of Directors of the Company may withdraw, modify, cancel or amend, or take actions contradictory to the Recommendation in accordance with the above paragraph only if prior to such withdrawal, modification, cancellation or amendment or contrary action the Board of Directors of the Company has complied with certain agreed procedures allowing the Offeror to assess the changed circumstances, to negotiate with the Board of Directors, to enhance the terms and conditions of its Tender Offer, or to take other actions to remedy or mitigate the circumstances.

- c) Notwithstanding section (b) above, in the event that a third party publishes its decision to offer to purchase the Shares through a public tender offer (“**Competing Offer**”) or the Company receives a written Competing Proposal (as defined below) that constitutes an approach of a serious nature within the meaning of the Helsinki Takeover Code, the Board of Directors of the Company may withdraw, modify, cancel or amend or take actions contradictory to the Recommendation (including deciding not to issue the Recommendation) if, and only if, it determines in good faith, after receiving written advice from its reputable external legal counsel and financial advisor(s), that the Competing Offer or the Competing Proposal is superior when considered as a whole both from financial point of view and deliverability point of view (considering also the undertakings to accept the Tender Offer from the major shareholders and the management shareholders) to the Offeror’s Tender Offer (including to the extent enhanced, as described below), taking into account the consideration and other terms and conditions, the identity of the competing offeror, the availability and certainty of financing (it being understood that debt funding used for any Competing Offer or Competing Proposal shall be on a customary European “certain funds” basis”), the anticipated timing, and regulatory aspects and capability of being completed, judged as a whole, of the Competing Offer or the Competing Proposal and that therefore (i) it would no longer be in the best interest of the holders of the Shares and Stock Options, considered as a whole, to accept the Tender Offer, and (ii) such withdrawal, modification, cancellation or amendment or contrary action of the Recommendation is required for the Board of Directors of the Company to comply with its Fiduciary Duties; provided, however, that in case of a Competing Proposal that is not a Competing Offer, the Company shall simultaneously with the withdrawal, modification, cancellation or amendment of the Recommendation enter into a definitive written agreement with respect to such Competing Proposal that obligates the competing offeror to launch a superior Competing Offer.

The Board of Directors of the Company may withdraw, modify, cancel or amend the Recommendation in accordance with the above paragraph only if prior to such withdrawal, modification, cancellation or amendment, the Board of Directors of the Company 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 Competing Offer or

Competing Proposal with reasonably detailed information about the Competing Offer or Competing Proposal (including the identity of the competing offeror, pricing, and other material terms and conditions, as well as any material revisions thereto), (iii) in good faith provided the Offeror with an opportunity to negotiate with the Board of Directors of the Company about matters arising from the Competing Offer or Competing Proposal, and (iv) given the Offeror at least seven (7) business days from the date of publishing the Competing Offer or from the date of the Offeror having been informed in writing of a serious Competing Proposal ready to be launched and of its material terms to enhance its Tender Offer as contemplated by the Combination Agreement.

Should the Offeror enhance its Tender Offer such that the enhanced Tender Offer, in the reasonable opinion of the Board of Directors of the Company rendered in good faith, after receiving written advice from its reputable external legal counsel and financial advisor(s), is at least equally favorable to the holders of the Shares and Stock Options, considered as a whole, compared to the Competing Offer or the Competing Proposal, the Board of Directors of the Company has undertaken to confirm and uphold the Recommendation for the Tender Offer, as enhanced.

- d) The Company has undertaken and shall cause its Affiliated Entities (as defined below), officers, directors, employees and representatives (including, for the avoidance of doubt, any investment bankers, legal counsel and other external advisors and representatives) to undertake, as between the date of the Combination Agreement and the completion of the Tender Offer:
- a. not to, directly or indirectly, solicit, knowingly encourage, facilitate, promote, participate in any negotiations, provide information with respect to the Company to any person in connection with, or otherwise cooperate in any manner with, any Competing Offer or inquiry or proposal for such offer or for any other transaction, including without limitation any sale, spin-off or other transfer of all or any material portion of the Company's assets or businesses, whether through a public tender offer or by sale or transfer of assets, sale of shares, reorganization or merger, transfer of employees in a hiring action by a third party (other than the Offeror or its representatives) or otherwise, or any other similar corporate transaction that could constitute or result in any competing transaction or otherwise prevent, harm, delay or hinder the completion of the Tender Offer ("**Competing Proposal**");
  - b. to cease and cause to be terminated any possible discussions, negotiations or other activities related to any Competing Proposal conducted by or on behalf of the Company prior to the date of the Combination Agreement;
  - c. not to, upon receipt of a Competing Proposal, directly or indirectly, facilitate or promote the progress of such Competing Proposal ("**Promoting Measures**"), unless the Board of Directors of the Company determines in good faith, after receiving written advice from its reputable external legal counsel and financial advisor(s), that Promoting Measures are required in order for the Board of Directors of the Company to comply with its Fiduciary Duties. The Board of Directors of the Company shall not take any Promoting Measures other than those necessary for the fulfilment of the Fiduciary Duties. The Company shall promptly provide the Offeror in all material respects with the same information provided to any third party and, subject to applicable laws, regulations and stock exchange rules and the confidentiality agreement between the Company and the Offeror, to the extent such information has not been previously provided to the Offeror, with copies of any written information provided to such third party;
  - d. to promptly inform the Offeror in writing about any Competing Proposal (including any material revisions thereto), including the identity of the competing offeror, the price offered and any other material terms and conditions of such Competing Proposal; and
  - e. to provide the Offeror with an opportunity to negotiate with the Board of Directors of the Company about matters arising from the Competing Proposal.

### **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, options, compliance with laws, anti-corruption laws, anti-money laundering and global trade laws, employee matters, material contracts, taxes, litigation and claims as well as intellectual property and competing transactions.

In the Combination Agreement, the Company has given certain customary undertakings, subject to certain exemptions, such as:

- (i) the Company and its Affiliated Entities (as defined below) conducting their respective businesses in all material respects in a manner consistent with past practice and in accordance with the published strategy of the Company and in accordance with sound and prudent business practice (“**Ordinary Course of Business**”), including but not limited to, refraining from making or implementing, in some cases subject to certain exceptions: any material changes in Efecte's business (such as terminating employment of any key employee or any material agreements with suppliers, resellers, partners, customers or other material business relationships), corporate structure or entering into material agreements with suppliers, resellers, partners, customers or other material business relationships; any mergers, acquisitions, divestments, minority investments or joint ventures; any capital expenditures exceeding certain monetary thresholds; any material corporate transactions, investments, acquisitions or divestments of assets, any loans, incurrence of indebtedness for borrowed money (excluding any intra-group loans or the refinancing of loans that do not exceed certain monetary thresholds), incurrence of liens or other encumbrances on assets or on shares or other securities, other than in the Ordinary Course of Business; any agreements or commitments that are not entered into on arms' length terms; any material amendments to any material agreements other than in the Ordinary Course of Business; any agreements or commitments including any "non-compete" or similar undertaking that would restrict the business of the Offeror and its subsidiaries or the Company and its Affiliated Entities following the completion of the Tender Offer; any change of articles of association, by-laws or other constituting documents (excluding any technical amendments to such documents) or any material change to accounting principles or practices other than such arising out of or relating to any changes in applicable laws and regulations; any commencement, settlement or compromise of any material legal or tax proceedings or of material claims against third parties; any act or omission that could reasonably be expected to result in the abandonment of or failure to maintain material intellectual property or in an encumbrance, conveyance of title, license or grant of any other right to material intellectual property; any decision or proposal concerning or constituting distribution of dividends or other assets from the Company or its Affiliated Entities, any change in the number of shares in or share capital of the Company or its Affiliated Entities, including without limitation by reclassification, recapitalization, stock split, combination, repurchase, redemption or issuance of any shares or securities exercisable for, convertible into or exchangeable for shares in the Company or in its Affiliated Entities, any sale, transfer or other disposal of any shares in the Company or in any of its Affiliated Entities that are held or obtained by the Company or any of its Affiliated Entities, and/or any grant, allocation, sale, transfer or disposal of any option rights held by the Company or any of its Affiliated Entities or of any other shares or securities exercisable for, convertible into or exchangeable for shares in the Company or in any of its Affiliated Entities; any non-mandatory salary or bonus increases exceeding certain monetary thresholds or any other similar grants or awards other than in the Ordinary Course of Business of the members of the Board of Directors of the Company and/or each of the persons employed by or serving the Company or its Affiliated Entities, or any new or amended retention programs or any new equity or equity related option or similar programs; any hires of new employees or contractors, which would lead to an increase in total annual wages and salaries exceeding certain monetary thresholds; in respect of existing bonus, incentive and retentions plans, to transfer, grant or issue any Shares or options or any corresponding rights to Shares, to any person, amend the terms and conditions of the plans, include new participants into the plans or grant or allocate options or other awards to existing participants under the plans, increase or decrease the amount of maximum reward for any participant, accelerate any reward payment in any form to any person, save as explicitly agreed otherwise in the Combination Agreement, or terminate any plan(s); any action or omission other than in the Ordinary Course of Business that would have the effect of increasing the liability for taxes of the Company or any of its Affiliated Entities for any period ending after the closing of the Tender Offer; and/or any legally binding agreement or commitment to do any of the foregoing;
- (ii) if and to the extent necessary, the Board of Directors shall pass a resolution after the date of the Combination Agreement to allow persons that have been allocated Shares to their book-entry accounts under the incentive plans to tender such Shares into the Tender Offer and to remove or waive, as applicable, the transfer restrictions on such Shares under the incentive plans;
- (iii) the Board of Directors shall, on the written request of the Offeror, resolve to make the agreed amendments to the current outstanding share-based incentive plans, subject to the terms and conditions of such share-based incentive plans;
- (iv) resolve to settle in cash all outstanding rewards to be paid under the Share-Based Incentive Schemes and terminate such Share-Based Incentive Schemes with no further liability or obligation by the Company, in each case, in accordance with the terms and conditions of the such schemes and the provisions of the Combination Agreement, and shall not introduce any new incentive schemes or issue

any further awards under the existing Share-Based Incentive Schemes, other than as agreed in the Combination Agreement; and

- (v) to pass all necessary resolutions to waive any transfer restrictions relating to its shares and option rights before the commencement of the Offer Period, and as soon as the Offeror has publicly confirmed that it will complete the Tender Offer, the Board of Directors of the Company shall, within a certain agreed timeframe upon the written request by the Offeror, resolve to convene an extraordinary general meeting of shareholders of the Company for the purpose of electing new members to the Board of Directors and addressing any other agenda items reasonably proposed by the Offeror.

## Termination

The Combination Agreement shall automatically terminate upon consummation of the Tender Offer on the completion date (or on the date the Offeror announces, being entitled to do so under applicable laws and regulations, that it will not complete the Tender Offer, allow the Tender Offer to lapse or that it will withdraw the Tender Offer). Furthermore, the Combination Agreement may be terminated by mutual written agreement of the Company and the Offeror.

Either the Offeror or the Company may terminate the Combination Agreement with immediate effect at any time prior to the closing date of the Tender Offer by giving to the other party a written notice thereof, if at least one of the following events occurs:

- a) a material breach of any of the warranties (or, to the extent any such warranty is qualified by materiality, any breach thereof) given by the other party, unless such breach has been rectified (if capable of being rectified) by the breaching party no later than five (5) business days prior to the expiry of the Offer Period (as it may be extended);
- b) the other party acts in material breach of its undertakings or obligations (or, to the extent any such undertaking or obligation is qualified by materiality, any breach thereof) under the Combination Agreement unless such breach has been rectified (if capable of being rectified) by the breaching party no later than five (5) business days prior to the expiry of the Offer Period (as it may be extended), provided that the right to terminate the Combination Agreement pursuant to this section shall not be available to a party whose breach of any representation, warranty, undertaking or obligation set forth in the Combination Agreement has been the primary cause of, or resulted in, the other party's material breach;
- c) a final, non-appealable injunction or other order issued by any court of competent jurisdiction or other final, non-appealable legal restraint or prohibition preventing the consummation of the Tender Offer shall have taken effect after the date of the Combination Agreement and shall still be in effect, provided that the right to terminate the Combination Agreement pursuant to this section shall not be available to a party whose breach of any representation, warranty, undertaking or obligation set forth in the Combination Agreement has been the cause of, or resulted in, such order, restraint or prohibition; or
- d) the closing date of the Tender Offer has not occurred by July 31, 2024 (the "**Long-Stop Date**"), provided that the Offeror shall have the right to postpone the Long-Stop Date for a maximum of two (2) months by a written notice to the Company in the event that the non-occurrence of the closing date is due to any of the regulatory approvals required for the completion of the Tender Offer (to the extent regulatory approvals have not been waived by the Offeror) not having been obtained and remaining pending on the Long-Stop Date, provided however that this right to terminate shall not be available to the party whose failure to fulfil any obligation under the Combination Agreement shall have resulted in the failure of the closing date to occur on or before such date.

The Company may terminate the Combination Agreement with immediate effect at any time prior to the closing date of the Tender Offer by giving to the Offeror a written notice thereof if at least one of the following events occurs:

- e) the Offeror has not commenced the Tender Offer on or prior to February 18, 2024 or a later date agreed by the parties, provided, however, that this right to terminate shall not be available to the Company if the failure of the Offeror to commence the Tender Offer is due to the Company's failure to fulfil any obligation under the Combination Agreement; and provided further that the Offeror shall have the right to postpone such date by up to two (2) additional weeks by a written notice to the Company in the event that the Offeror reasonably requires such postponement to be able to commence the Tender Offer and the FIN-FSA permits such postponement; or
- f) the Board of Directors of the Company has withdrawn, modified, cancelled or amended or decided not to issue the Recommendation due to a Competing Offer or Competing Proposal in compliance with the Combination Agreement (excluding any technical modification or amendment 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 Offeror's Tender Offer is upheld).

The Offeror may terminate the Combination Agreement with immediate effect at any time prior to the closing date of the Tender Offer by giving the Company a written notice thereof if at least one of the following events occurs:

- g) the Board of Directors of the Company has, for any reason whatsoever, withdrawn, modified, cancelled or amended the Recommendation (excluding any technical modification or amendment 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 Offeror's Tender Offer is upheld);
- h) after the signing date of the Combination Agreement there occurs a Material Adverse Change (as defined below); or
- i) after the signing date of the Combination Agreement the Offeror has received information that constitutes a Material Adverse Change (as defined below).

If the Offer Period has commenced, the Offeror may only terminate the Combination Agreement so as to cause the Tender Offer not to proceed, to lapse or to be withdrawn if the circumstances which give rise to the right to invoke the relevant termination right have a significant meaning to the Offeror in view of the Tender Offer, as referred to in the FIN-FSA Regulations and Guidelines (as defined below) and the Helsinki Takeover Code.

In case of any termination or expiration of the Combination Agreement, the Offeror is entitled to withdraw the Tender Offer in accordance with applicable Finnish laws and regulations and the terms and conditions of the Tender 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 officers, directors or employees under the Combination Agreement, and all rights and obligations of each party hereto shall cease.

If the Combination Agreement is terminated:

- (i) by the Company on the basis of above section f) or by the Offeror on the basis of section g), as a result or in the context of a Competing Offer or Competing Proposal, and provided that the Competing Offer or any transaction proposed in a Competing Proposal that results in the change of control of more than 50 percent of the Shares and that prevents the completion of the Tender Offer has been completed, the Company shall reimburse to the Offeror any and all of its documented out-of-pocket expenses and costs incurred in connection with the Combination Agreement and the Tender Offer, including the fees and disbursements of external counsel (excluding any litigation fees), accountants, technical consultants and financial, commercial, due diligence, tax and other advisors (including any applicable tax) up to the maximum amount of EUR 3,000,000 in the aggregate. Such amount shall be paid by the Company in one instalment payable within 20 business days after the completion date of the Competing Offer or the transaction(s) proposed in a Competing Proposal and receipt of copies of invoices evidencing such expenses in immediately available funds to a bank account identified by the Offeror;

by the Company on the basis of above section f) or by the Offeror on the basis of section g), as a result or in the context of a Competing Offer or Competing Proposal, the Company shall reimburse to the Offeror any and all of its documented out-of-pocket expenses and costs incurred in connection with the Combination Agreement and the Tender Offer, including the fees and disbursements of external counsel (excluding any litigation fees), accountants, technical consultants and financial, commercial, due diligence, tax and other advisors (including any applicable tax) up to the maximum amount of EUR 3,000,000 in the aggregate. Such amount shall be paid by the Company in three equal instalments, the first instalment payable within six months after receipt of the termination notice and copies of invoices evidencing such expenses, the second instalment payable within 12 months from said date and the third instalment (if any) payable on the completion date of the Competing Offer or any transaction proposed in a Competing Proposal, provided, in case of the third instalment, that such Competing Offer or such transaction proposed in the Competing Proposal is completed within 18 months from the termination of the Combination Agreement, each instalment payable in immediately available funds to a bank account identified by the Offeror. For the avoidance of doubt, if the Competing Offer or transaction proposed in a Competing Proposal is not completed within 18 months from the termination of the Combination Agreement, no third instalment of the reimbursement shall be payable by the Company to the Offeror;

- (ii) by the Offeror on the basis of section a) or b) above, the Company shall reimburse to the Offeror any and all of its documented out-of-pocket expenses and costs incurred in connection with the Combination Agreement and the Tender Offer, including the fees and disbursements of external counsel (excluding any

litigation fees), accountants, technical consultants and financial, commercial, due diligence, tax and other advisors (including any applicable tax) up to the maximum amount of EUR 300,000 in the aggregate, without this limiting the Offeror's right to seek other available remedies under contract or law. Such amount shall be paid by the Company in two equal instalments, the first instalment payable within 20 business days after receipt of the termination notice and copies of invoices evidencing such expenses and the second instalment payable within six months from said date, each instalment payable in immediately available funds to a bank account identified by the Offeror; or

- (iii) by either party in accordance with section d) above in circumstances where failure of the closing date to occur has taken place due to a failure to satisfy the regulatory approval conditions of the Tender Offer, the Offeror shall reimburse to the Company any and all of its documented out-of-pocket expenses and costs incurred in connection with the Combination Agreement and the contemplated Tender Offer, including the fees and disbursements of external counsel (excluding any litigation fees) and financial and other advisors (including any applicable tax) up to the maximum amount of EUR 300,000 in the aggregate. Such amount shall be paid by the Offeror in two equal instalments, the first instalment payable within 20 business days after receipt of the termination notice and copies of invoices evidencing such expenses and the second instalment payable within six months from said date, each instalment payable in immediately available funds to a bank account identified by the Company.

### **Governing law and arbitration**

The Combination Agreement shall be governed by and construed in accordance with the substantive laws of Finland.

Any dispute, controversy or claim arising out of or relating to the Combination Agreement, or the breach, termination or validity 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) members, one member to be appointed by the Offeror, one member to be appointed by the Company and one member, serving as the chairman, to be jointly appointed by the two members so appointed. In the absence of any such appointment and where the Company and the Offeror are unable to agree on a method for the constitution of the arbitral tribunal, the Arbitration Institute shall appoint each missing member of the arbitral tribunal and shall designate one of them to serve as the chairman. The arbitration shall be conducted in the English language.

Each party may apply to a court of competent jurisdiction for a precautionary measure, temporary procedural remedy, temporary restraining order or preliminary injunction where such relief is necessary to protect its interests pending completion of arbitration proceedings.

## TERMS AND CONDITIONS OF THE TENDER OFFER

### Object of the Tender Offer

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, European 24 Bidco Oy (the “**Offeror**”), a private limited liability company incorporated under the laws of Finland, offers to acquire all of the issued and outstanding shares in Efecte Plc (the “**Company**” or “**Efecte**”) that are not held by the Company or its subsidiaries (the “**Shares**” or, individually, a “**Share**”) and all of the issued and outstanding stock options in Efecte that are not held by the Company or its subsidiaries (the “**Stock Options**” or, individually, a “**Stock Option**”) (the “**Tender Offer**”). The Offeror is directly wholly owned by Matrix42 Holding GmbH (“**Matrix42**”), a corporation incorporated and existing under the laws of Germany, which is the holding entity of the Matrix42 Group headquartered in Frankfurt. Matrix42 is owned by funds advised by Corten Advisors UK LLP (“**Corten Capital**”) which is a private equity firm incorporated and existing under the laws of the United Kingdom.

The Offeror and the Company have on January 18, 2024 entered into a combination agreement (the “**Combination Agreement**”) pursuant to which the Offeror makes the Tender Offer.

### Share Offer Price and Option Offer Price

The Tender Offer was announced by the Offeror on January 18, 2024 (the “**Announcement**”). The price offered for each Share validly tendered in the Tender Offer is EUR 15.00 in cash (the “**Share Offer Price**”), subject to any adjustments as set out below.

The price offered for each outstanding Stock Option 2018B validly tendered in the Tender Offer is EUR 10.00 in cash (the “**Option 2018B Offer Price**”), the price offered for each outstanding Stock Option 2018C validly tendered in the Tender Offer is EUR 10.61 in cash (the “**Option 2018C Offer Price**”), the price offered for each outstanding Stock Option 2021A validly tendered in the Tender Offer is EUR 0.01 in cash (the “**Option 2021A Offer Price**”), the price offered for each outstanding Stock Option 2021A1 validly tendered in the Tender Offer is EUR 0.01 in cash (the “**Option 2021A1 Offer Price**”), the price offered for each outstanding Stock Option 2021B validly tendered in the Tender Offer is EUR 3.77 in cash (the “**Option 2021B Offer Price**”), the price offered for each outstanding Stock Option 2021B1 validly tendered in the Tender Offer is EUR 3.77 in cash (the “**Option 2021B1 Offer Price**”) and the price offered for each outstanding Stock Option 2021C validly tendered in the Tender Offer is EUR 4.69 in cash (the “**Option 2021C Offer Price**”), and together with Option 2018B Offer Price, Option 2018C Offer Price, Option 2021A Offer Price, Option 2021A1 Offer Price, Option 2021B Offer Price and Option 2021B1 Offer Price, the “**Option Offer Price**”), subject to any adjustments as set out below.

The Share Offer Price has been determined based on 6,446,542 issued and outstanding Shares as at the date of this tender offer document (the “**Tender Offer Document**”). The Option 2018B Offer Price has been determined based on 77,825 Stock Options 2018B issued and outstanding, the Option 2018C Offer Price has been determined based on 103,750 Stock Options 2018C issued and outstanding, the Option 2021A Offer Price has been determined based on 118,650 Stock Options 2021A issued and outstanding, the Option 2021A1 Offer Price has been determined based on 24,000 Stock Options 2021A1 issued and outstanding, the Option 2021B Offer Price has been determined based on 128,145 Stock Options 2021B issued and outstanding, the Option 2021B1 Offer Price has been determined based on 19,500 Stock Options 2021B1 issued and outstanding and the Option 2021C Offer Price has been determined based on 138,850 Stock Options 2021C issued and outstanding, as at the date of this Tender Offer Document.

The Board of Directors of the Company has resolved on the right of the holders of Stock Options 2021A, Stock Options 2021A1, Stock Options 2021B, Stock Options 2021B1 and Stock Options 2021C to tender their Stock Options in the Tender Offer despite the transfer restriction under section I.5 of the terms and conditions of the Company’s option programme 2021.

The Option 2018B Offer Price and the Option 2018C Offer Price correspond to the Share Offer Price minus the exercise price of Stock Options 2018B and Stock Options 2018C, respectively, as determined in the terms and conditions of the Company’s option programme 2018. The Option 2021A Offer Price, the Option 2021A1 Offer Price, the Option 2021B Offer Price, the Option 2021B1 Offer Price and the Option 2021C Offer Price correspond to the Share Offer Price minus the exercise price of Stock Options 2021A, Stock Options 2021A1, Stock Options 2021B, Stock Options 2021B1 and Stock Options 2021C, respectively, as determined in the terms and conditions of the Company’s option programme 2021. The Option Offer Price is, however, always a minimum of EUR 0.01.

Should the Company change the number of the Shares that are issued and outstanding on the date of the Combination Agreement as a result of a new share issue, reclassification, stock split (including a reverse split) or any other similar transaction with dilutive effect other than as agreed to be permitted in relation to the Company’s existing Share-Based

Incentive Schemes, 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 any of the settlements of the completion trades (whether after the expiry of the Offer Period (as defined below) or any Subsequent Offer Period (as defined below)) the Share Offer Price and the Option Offer Price payable by the Offeror will be reduced accordingly on a euro-for-euro basis.

Any adjustment of the Share Offer Price or the Option Offer Price pursuant to the above paragraph will be announced by way of a company release. If the Share Offer Price or the Option Offer Price is adjusted, 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 Tender Offer will commence on January 30, 2024, at 9:30 a.m. (Finnish time) and expire on March 5, 2024, at 4:00 p.m. (Finnish time), unless the offer period is extended or any extended offer period is discontinued as described below (the “**Offer Period**”). The acceptance of the Tender Offer must be received in respect of Shares by the relevant account operator and in respect of Stock Options by Evli (as defined below), as described below under “–*Acceptance Procedure for the Tender Offer*”, before the expiration of the Offer Period.

The Offeror may extend the Offer Period (i) at any time until the Closing Conditions (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 Markets Act, and/or (iii) with a Subsequent Offer Period (as defined below) in connection with the announcement whereby the Offeror declares the Tender Offer unconditional or the announcement of the final result of the Tender Offer whereby the Offeror also declares the Tender 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 or until further notice beyond 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 Closing Conditions (as defined below) 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. Further, any Subsequent Offer Period (as defined below) may extend beyond ten (10) weeks.

The Offeror may discontinue the Offer Period should all the Closing Conditions (as defined below) be fulfilled or waived by the Offeror prior to the expiration of the Offer Period and the Offeror will consummate the Tender Offer in accordance with its terms and conditions after the expiration of the Offer Period by purchasing the Shares and Stock Options validly tendered in the Tender Offer and paying the Share Offer Price and the Option Offer Price to the shareholders and the holders of Stock Options of Efected that have validly accepted the Tender 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 Tender 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 company 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 Tender Offer

The obligation of the Offeror to accept for payment the validly tendered Shares and Stock Options, which have not been withdrawn in accordance with the terms and conditions of the Tender Offer, and to complete the Tender Offer shall be subject to the fulfilment or, to the extent permitted by applicable law, waiver by the Offeror of the following conditions (jointly the “**Closing Conditions**”) on or prior to the date of the Offeror’s announcement of the final result of the Tender Offer in accordance with Chapter 11, Section 18 of the Finnish Securities Markets Act (date of such announcement of the final result, the “**Result Announcement Date**”):

- (a) the Tender Offer has been validly accepted with respect to Shares representing, together with any other Shares otherwise acquired by the Offeror prior to or during the Offer Period, more than ninety (90) percent of the Shares and voting rights in the Company on a fully diluted basis calculated in accordance with Chapter 18, Section 1 of the Finnish Companies Act;
- (b) the receipt of all necessary regulatory approvals, permits, clearances and consents, including without limitation approvals required under applicable foreign direct investment laws, competition clearances (or, where applicable, the expiry of relevant waiting periods) required under applicable competition laws or other regulatory laws in any jurisdiction for the completion of the Tender Offer, and that any conditions set out in such approvals, permits, clearances or consents, including, but not limited to, any requirements for the disposal of any assets of the Offeror or the Company or any reorganization of the business of the Offeror or the Company, are reasonably acceptable to the Offeror in that they are not materially adverse to the Offeror or the Company in view of the Tender Offer and have been satisfied or complied with to the extent necessary;
- (c) no Material Adverse Change (as defined below) has occurred on or after the date of the Combination Agreement;
- (d) the Offeror not, after the date of the Combination Agreement, having received information that constitutes a Material Adverse Change (as defined below);
- (e) no information made public by the Company or disclosed by the Company to the Offeror being materially inaccurate, incomplete, or misleading, and the Company not having failed to make public any information that should have been made public by it under applicable laws, including the rules of First North Growth Market Finland maintained by Nasdaq Helsinki Ltd (“**Nasdaq First North**”), provided that, in each case, the information made public, disclosed or not disclosed or the failure to disclose information constitutes a Material Adverse Change (as defined below);
- (f) no legislation or other regulation has been issued and no court or regulatory authority of competent jurisdiction has given a decision or issued any regulatory action that would wholly or in any material part prevent, postpone or frustrate the completion of the Tender Offer;
- (g) the Board of Directors of the Company having issued its unanimous recommendation that the holders of the Shares and the holders of the Stock Options accept the Tender Offer and tender their Shares and Stock Options in the Tender Offer and the recommendation remaining in full force and effect and has not been withdrawn, modified, cancelled, or amended (excluding, however, any technical modification or change of the recommendation required under applicable laws or the Helsinki Takeover Code issued by the Securities Market Association in force as of 1 October 2022 (as amended from time to time) (the “**Helsinki Takeover Code**”) as a result of a competing offer or otherwise so long as the recommendation to accept the Tender Offer is upheld);
- (h) the Combination Agreement not having been terminated and remaining in force and no event having occurred that, with the passage of time, would give the Offeror the right to terminate the Combination Agreement; and
- (i) the undertakings by the major shareholders and the management shareholders to accept the Tender Offer remaining in force in accordance with their terms.

The Closing Conditions set out herein are exhaustive. The Offeror shall only invoke any of the Closing Conditions so as to cause the Tender Offer not to proceed, to lapse or to be withdrawn if the circumstances which give rise to the right to invoke the relevant Closing Condition have a significant meaning to the Offeror in view of the Tender 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 laws and regulations, any of the Closing Conditions that have not been fulfilled. If all Closing Conditions 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 Tender Offer, the Offeror will consummate the Tender Offer in accordance with its terms and conditions after the expiration of the Offer Period by purchasing the Shares and Stock Options validly tendered in the Tender Offer and paying the Share Offer Price and the Option Offer Price to the holders of Shares and holders of Stock Options that have validly accepted the Tender Offer.

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

“**Affiliated Entities**” means the Company’s subsidiaries, affiliates and any branch and representative offices of the Company and its subsidiaries and affiliates.

“**Due Diligence Information**” means (i) the information publicly disclosed by the Company pursuant to the rules of Nasdaq First North, the Finnish Securities Markets Act and the Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (as amended) (including any publicly disclosed annual or half-year reports or business reviews), and (ii) the information provided by the Company in the virtual data room made available to the Offeror or its advisers as well as written materials shared in management presentations and workshop meetings carried out by the Company with the Offeror or its advisers and all recordings of such management presentations and workshop meetings.

“**Fairly Disclosed**” means disclosure of an actual fact, matter or event set out or otherwise appearing in the Due Diligence Information in a sufficiently clear and detailed manner enabling a professional and prudent offeror, having completed its review of the Due Diligence Information with the support of its professional advisors, acting diligently and with due care, to reasonably identify and assess the nature, scope and effects of such fact, matter or event so disclosed.

“**Material Adverse Change**” means (a) any divestment or reorganization of all or any material part of the assets of the Company or its Affiliated Entities, taken as whole; or (b) any event, condition, circumstance, development, occurrence, change, effect or fact (any such item an “**Effect**”) that individually or in the aggregate, has, results in or would reasonably be expected to have or result in a material adverse effect on the business, assets, prospects, financial condition or results of operations of the Company and its Affiliated Entities, taken as a whole, excluding:

- (i) any Effect in political, industry, economic or regulatory conditions or in capital or financial markets generally (including any Effect in interest or currency rates), so long as such Effect does not have a disproportionate effect on the Company relative to other companies of comparable size in the same industry;
- (ii) any Effect resulting from or caused by natural disasters, outbreak of major hostilities, any act of war or terrorism or change in prevailing COVID-19 situation, so long as such Effect does not have a disproportionate effect on the Company relative to other companies of comparable size in the same industry;
- (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 operational metrics before, on or after the date of the Combination Agreement, it being understood that nothing in this sub-clause (iii) shall prevent or otherwise affect the determination as to whether any change or effect underlying such failure to meet projections, forecasts, estimates or predictions constitutes a Material Adverse Change;
- (iv) changes in the market price or trading volume of the Company’s securities after the date of the Combination Agreement, it being understood that nothing in this sub-clause (iv) shall prevent or otherwise affect the determination as to whether any change or effect underlying such change constitutes a Material Adverse Change;
- (v) any Effect resulting from any actions taken by the Company at the express request or direction of the Offeror;
- (vi) any change in applicable statutes; or
- (vii) any Effect attributable to (x) an act or omission carried out or omitted by the Offeror in connection with the Tender Offer or (y) the announcement or completion of the Tender Offer (including the effect of any change of control or similar clauses in contracts entered into by the Company and its subsidiaries but only to the extent such contracts or clauses have been Fairly Disclosed as part of the Due Diligence Information) or (z) performance of obligations under the Combination Agreement by the Company insofar as such Effect is not caused by the Company’s breach of the Combination Agreement.

For the sake of clarity, under no circumstances shall any Material Adverse Change be deemed to exist to the extent such Effect causing a Material Adverse Change has been Fairly Disclosed, prior to the date of the Combination Agreement.

#### **Obligation to Increase the Share Offer Price and/or the Option Offer Price and to Pay Compensation**

The Offeror, Matrix42 and Corten Capital, each respectively, reserve the right to acquire Shares and/or Stock Options before, during and/or after the Offer Period (including any extension thereof) and any Subsequent Offer Period in public trading on Nasdaq First North or otherwise.

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 and/or Stock Options after the Announcement of the Tender Offer and before the expiry of the Offer Period (including any Subsequent Offer Period) at a price higher than the Share Offer Price or the Option Offer Price, 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 Tender Offer to correspond with the terms and conditions of said 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 Tender Offer, the difference between the consideration paid in such an acquisition on more favourable terms and the Share Offer Price and/or the Option Offer Price to those shareholders and/or holders of Stock Options that have accepted the Tender 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 and/or Stock Options within nine (9) months after the expiration of the Offer Period (including any Subsequent Offer Period) at a price higher than the Share Offer Price and/or the Option Offer Price, 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 Share Offer Price and/or the Option Offer Price paid to those shareholders and/or holders of Stock Options that have accepted the Tender 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 Share Offer Price and/or the Option Offer Price within one (1) month of the date when the compensation obligation arose for those shareholders and/or holders of Stock Options that have accepted the Tender 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 Share Offer Price and/or the Option Offer Price 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 and/or Stock Options on terms that are more favourable than those of the Tender Offer before or during the arbitral proceedings.

## **Acceptance Procedure for the Tender Offer**

### ***Shares***

The Tender Offer may be accepted by a shareholder registered during the Offer Period in the shareholders' register of Efecte maintained by Euroclear Finland Oy, with the exception of Efecte and its subsidiaries. Acceptance of the Tender Offer must be submitted separately for each book-entry account. A shareholder of Efecte 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 "*Restrictions and Important Information*"). Shareholders may only accept the Tender 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 transaction 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 Tender Offer and related instructions and an acceptance form to their customers who are registered as shareholders in the shareholders' register of Efecte maintained by Euroclear Finland Oy. Shareholders of Efecte 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 [efecte-offer@danskebank.com](mailto:efecte-offer@danskebank.com), where such shareholders of Efecte can receive information on submitting their acceptance of the Tender 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 Efecte whose Shares are nominee-registered and who wish to accept the Tender 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 Tender Offer to these nominee-registered shareholders of Efecte.

If the Shares held by a shareholder are pledged or otherwise subject to restrictions that prevent or limit the acceptance, the acceptance of the Tender Offer may require the consent of the pledgee or other beneficiary of a such restriction. If so, acquiring this consent is the responsibility of the relevant shareholder of Efecte. Such consent must be delivered in writing to the account operator.

A shareholder of Efecte who wishes to accept the Tender 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 or approve, in its sole discretion, 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 and/or Subsequent Offer Period. Shareholders of Efecte 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 the right to reject any acceptance given in an incorrect or incomplete manner.

A shareholder who has validly accepted the Tender Offer in accordance with the terms and conditions of the Tender Offer may not sell or otherwise transfer their tendered Shares. By accepting the Tender Offer, the shareholders authorize their account operator, Danske Bank or a party appointed by Danske Bank 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 Tender Offer*” below after the shareholder has delivered the acceptance form with respect to the Shares. Furthermore, the shareholders of Efecte that accept the Tender Offer authorize their account operator, Danske Bank or a party appointed by Danske Bank to perform necessary entries and undertake any other measures needed for the technical execution of the Tender Offer, and to sell all the Shares held by the shareholder of Efecte at the time of the execution of the settlement of the Offer, as set out under “*Completion of the Tender Offer*” below to the Offeror in accordance with the terms and conditions of the Offer. In connection with the completion trades of the Tender Offer or the settlement thereof, the sales reservation or the restriction on the right of disposal will be removed and the Share Offer Price will be transferred to the relevant shareholders of Efecte.

By giving an acceptance on the Tender Offer, the shareholder authorizes 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.

### ***Stock Options***

The Tender Offer may be accepted by a holder of Stock Options registered during the Offer Period in the register of holders of Stock Options, with the exception of Efecte and its subsidiaries. Evli Alexander Incentives Oy (“**Evli**”), which manages Efecte's Stock Options, will send a notification of the Tender Offer, including instructions and the relevant acceptance form, to all such holders of Stock Options. Evli will instruct all holders of Stock Options on the acceptance of the Tender Offer through Evli's Incentive portal. Holders of Stock Options who do not receive such notification from Evli can contact Evli by sending an email to: [efecte.incentive@eai.fi](mailto:efecte.incentive@eai.fi).

A holder of Stock Options registered during the Offer Period in the register of holders of Stock Options wishing to accept the Tender Offer shall submit a properly completed and duly executed acceptance form in accordance with its instructions to Evli and within the time limit set by Evli. The acceptance form shall be submitted so that it is received during the Offer Period or, if the Offer Period has been extended, during such extended Offer Period, however, always in accordance with the instructions of Evli. The Offeror reserves the right to reject or approve, in its sole discretion, any acceptances that have been submitted in an incorrect or incomplete manner.

The holders of Stock Options may accept the Tender Offer only in whole regarding all of their Stock Options. The holders of Stock Options may not agree to sell only a portion of their Stock Options.

If any Stock Options are pledged or otherwise subject to restrictions that prevent or limit the acceptance, the acceptance of the Tender Offer may require the consent of the pledgee or other beneficiary of a such restriction. If so, acquiring this consent is the responsibility of the relevant holder of Stock Options of Efecte. Such consent must be delivered in writing to Evli.

By giving an acceptance on the Tender Offer, the holders of Stock Options authorize Evli to sell the Stock Options to the Offeror in accordance with the terms and conditions of the Tender Offer. A holder of Stock Options may accept the Tender Offer only unconditionally and in relation to all of its Stock Options and subject to the right to withdraw the Stock Options tendered in accordance with the terms and conditions of the Tender Offer. The Offeror may reject any partial tender of the Stock Options. A holder of Stock Options that has validly accepted the Tender Offer and that has not properly withdrawn its acceptance in accordance with the terms and conditions of the Tender Offer may not sell or otherwise dispose of its tendered Stock Options unless otherwise provided by mandatory law.

## **Right of Withdrawal of Acceptance**

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

With respect to the Shares, a valid withdrawal of an acceptance of the Tender Offer requires that a withdrawal notification is submitted in writing to the account operator to whom the original acceptance form was submitted, and with respect to the Stock Options, that a withdrawal notification is submitted in writing to Evli by sending an email to: [efecte.incentive@eai.fi](mailto:efecte.incentive@eai.fi).

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

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

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

A shareholder of Efecte who withdraws its acceptance of the Tender Offer 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 Tender 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 Tender Offer will be binding and cannot be withdrawn, unless otherwise provided under mandatory law.

## **Technical Completion of the Tender 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 Tender 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 completion trade of the Tender Offer or the settlement thereof, the sales reservation or the restriction on the right of disposal will be removed and the Share Offer Price will be paid to the relevant shareholder.

When Evli has received a properly completed and duly executed acceptance form with respect to the Stock Options in accordance with the terms and conditions of the Tender Offer, Evli will report the information about the acceptance to Danske Bank. In connection with the completion trade of the Tender Offer or the settlement thereof, the Option Offer Price, deducted with any applicable taxes, will be paid to the relevant holder of the Stock Options.

## **Announcement of the Result of the Tender Offer**

The preliminary result of the Tender 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 Tender Offer will be completed subject to the Closing Conditions 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 Tender 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 and Stock Options in respect of which the Tender Offer has been validly accepted and not validly withdrawn will be confirmed.

The Offeror will announce the initial percentage of the Shares and Stock Options 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 Tender Offer**

The completion trades of the Tender Offer will be executed with respect to all of those Shares and Stock Options of Efecte that have been validly tendered, and not validly withdrawn, into the Tender Offer no later than on the twelfth (12th) Finnish banking day following the announcement of the final result of the Tender Offer (the “**Completion Date**”). If possible, the completion trades of the Shares will be executed on Nasdaq First North, provided that such execution is allowed under the rules applied to trading on Nasdaq First North. Otherwise, the completion trades will be made outside Nasdaq First North. The completion trades will be settled on the Completion Date or on or about the first (1st) Finnish banking day following the Completion Date (the “**Settlement Date**”).

### **Terms of Payment and Settlement**

The Share Offer Price will be paid on the Settlement Date to each shareholder of Efecte who has validly accepted, and not validly withdrawn, the Tender Offer into the management account of the shareholder’s book-entry account. The Option Offer Price will be paid on the Settlement Date to each holder of Stock Options who has validly accepted, and not validly withdrawn, the Tender Offer into the bank account informed by the holder of Stock Options in the acceptance form. In any case, the Share Offer Price or the Option Offer Price will not be paid to a bank account situated in Australia, Canada, Hong Kong, Japan, New Zealand or South Africa or any other jurisdiction where the Tender Offer is not being made (see Section “*Restrictions and Important Information*”). If the management account of a shareholder of Efecte is with a different financial institution than the applicable book-entry account, the Share Offer Price 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 and Stock Options tendered during the Subsequent Offer Period. The completion trades with respect to the Shares and Stock Options validly tendered and accepted in accordance with the terms and conditions of the Tender 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 Share Offer Price and the Option Offer Price 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 Ownership**

Title to the Shares and Stock Options in respect of which the Tender Offer has been validly accepted, and not validly withdrawn, will pass to the Offeror on the Settlement Date against the payment of the Share Offer Price or the Option Offer Price by the Offeror to the tendering shareholder or holder of Stock Options of Efecte. In the event of a Subsequent Offer Period, title to the Shares and Stock Options in respect of which the Tender Offer has been validly accepted during a Subsequent Offer Period will pass to the Offeror on the relevant settlement date against the payment of the Share Offer Price or the Option Offer Price by the Offeror to the tendering shareholder or holder of Stock Options of Efecte.

### **Transfer Tax and Other Payments**

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

Each shareholder or holder of Stock Options of Efecte is liable for any payments that, based on an agreement made with the shareholder or holder of Stock Options, 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 or Stock Options. Each shareholder and holder of Stock Options of Efecte is liable for any fees that relate to a withdrawal of an acceptance made by the shareholder or holder of Stock Options.

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

Should a competing tender offer be published by a third party during the Offer Period and should a shareholder of Efecte therefore or otherwise validly withdraw its acceptance of the Tender 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 receipt of cash pursuant to the Tender Offer by a shareholder or a holder of Stock Options may be a taxable transaction for the respective shareholder or holder of Stock Options of Efecte under applicable tax laws, including those of the country of residency of the shareholder or the holder of Stock Options. Any tax liability arising to a shareholder or holder of Stock Options of Efecte from the receipt of cash pursuant to the Tender Offer will be paid and borne by such shareholder or holder of Stock Options. Each shareholder and holder of Stock Options of Efecte is urged to consult with an independent professional adviser regarding the tax consequences of accepting the Tender Offer.

### **Other Matters**

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

Should a competing tender 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 Tender Offer; and (iii) decide, during the Offer Period, but before the expiration of the competing offer, to let the Tender Offer lapse. The Offeror will decide on all other matters related to the Tender 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 Tender Offer, which means that it performs certain administrative services relating to the Tender Offer. This does not mean that a person who accepts the Tender 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 Tender 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 Tender Offer. Each Participant is therefore responsible for ensuring that it has sufficient experience and knowledge to understand the risks associated with the Tender 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 Tender 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 Tender 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**

Those who accept the Tender 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 Tender 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, Matrix42 and Corten Capital to the extent necessary for administering the Tender 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](http://www.danskebank.com).

## **PRESENTATION OF THE OFFEROR**

### **The Offeror, Matrix42 and Corten Capital in Brief**

The Offeror is a private limited liability company (business identity code 3419364-8) incorporated and existing under the laws of Finland. The Offeror is domiciled in Helsinki, Finland, and its registered address is c/o Roschier, Attorneys Ltd., Kasarmikatu 21 A, FI-00130 Helsinki, Finland. As at the date of this Offer Document, the Offeror is directly wholly owned by Matrix42. The Offeror was incorporated on January 16, 2024 for the purposes of the Tender Offer and to operate as the parent company of Efecte. The Offeror has not previously conducted, and currently does not conduct, any business.

Matrix42, a corporation incorporated and existing under the laws of Germany, is the holding entity of the Matrix42 Group headquartered in Frankfurt, which provides innovative software solutions for digital workspace experience management, unified endpoint management, and enterprise service management. Matrix42 is a portfolio company of and is controlled by funds advised by Corten Capital.

Corten Capital is a private equity firm, incorporated and existing under the laws of the United Kingdom, that is authorized and regulated by the Financial Conduct Authority in the United Kingdom. Corten Capital partners with entrepreneurial management teams to build market leading, B2B software, services and information companies across Europe and North America.

### **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 Corten Capital, Neo Topco S.à r.l. (the parent company of Neo Midco S.à r.l.), Neo Midco S.à r.l. and Matrix42.

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 Efecte 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 Efecte.



## PRESENTATION OF EFECTE

*All financial and other information presented in this Tender Offer Document concerning Efecte has been extracted from, and has been exclusively based upon, the Board of Directors' report and the audited consolidated financial statements published by Efecte as at and for the financial year ended December 31, 2022, the unaudited consolidated interim report published by Efecte as at and for the six months ended June 30, 2023, the unaudited consolidated business review published by Efecte as at and for the nine months ended September 30, 2023, the information included in the company release published by Efecte on January 18, 2024 regarding Efecte's preliminary financial information for the three months ending on December 31, 2023, other company releases published by Efecte, 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

Efecte helps people digitalize and automate their work. Customers across Europe leverage Efecte's cloud service to operate with greater agility, to improve the experience of end-users, and to save costs. The use cases for Efecte's solutions range from IT service management and ticketing to improving employee experiences, business workflows, and customer service. Efecte is the European alternative to the global goliaths in Efecte's space. Efecte's headquarters is located in Finland and Efecte has regional hubs in Germany, Poland, Spain and Sweden. Efecte's revenue in 2022 was approximately EUR 21.6 million, and approximately EUR 18.2 million for the nine months ended September 30, 2023, as presented in the unaudited consolidated business review published by Efecte. On December 31, 2023, the Company employed 199 full-time equivalent employees in 5 different countries.

Efecte is a public limited liability company incorporated under the laws of Finland with its shares admitted to trading on Nasdaq First North under the trading code "EFECTE". The ISIN code of the shares of Efecte is FI4000282868. Efecte is registered in the Finnish Trade Register under the business identity code 1509667-4. The legal entity identifier (LEI) code of Efecte is 7437005U8P0KDN6RKW34. The Company is domiciled in Espoo, Finland, and its registered address is Säterinkatu 6, FI-02600, Espoo, Finland.

### Shares and Share Capital

As at the date of this Tender Offer Document, the registered share capital of Efecte amounts to EUR 80,000 and the number of issued shares in Efecte is 6,452,424, of which 6,446,542 are outstanding Shares and 5,882 are held in treasury. The shares in Efecte have no nominal value. The articles of association of Efecte do not include provisions on the minimum or maximum amount of share capital.

Efecte has one class of shares. The shares in Efecte are entered into the Finnish book-entry securities system. Each Share entitles its holder to one vote at each general meeting of shareholders of Efecte. All Shares give equal rights to dividends and other distributable funds by Efecte. The articles of association of Efecte 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 ten largest shareholders of Efecte and their ownership of all issued shares and voting rights in Efecte according to the shareholders' register maintained by Euroclear Finland Oy ("**Euroclear Finland**") as at January 25, 2024.

	<b>Number of shares</b>	<b>Percent of shares and votes</b>
First Fellow Ltd	810,499	12.56
Oy Fincorp Ab	487,405	7.55
Sijoitusrahasto Aktia Nordic Micro Cap	469,269	7.27
Ilmarinen Mutual Pension Insurance Company	290,909	4.51
Montonen Markku	210,571	3.26
OP-Suomi Pienyhtiöt	191,739	2.97
Sijoitusrahasto Nordea Nordic Small Cap	116,662	1.81
Ervi Pertti	91,657	1.42
Sijoitusrahasto Säästöpankki Pienyhtiöt	80,000	1.24
Urpalainen Jörgen	71,033	1.10
<b>Ten largest shareholders in total</b>	<b>2,819,744</b>	<b>43.70</b>
Other shareholders	3,626,798	56.21
Treasury shares	5,882	0.09
<b>Total</b>	<b><u>6,452,424</u></b>	<b><u>100.00</u></b>

## Treasury Shares

Pursuant to the knowledge of the Offeror, Efecte and its subsidiaries hold as at the date of this Tender Offer Document in the aggregate 5,882 treasury shares, representing less than 0.1 percent of all shares and voting rights in Efecte. The Tender Offer is not being made of the treasury shares held by Efecte or shares held by its subsidiaries.

## Stock Options and Other Special Rights Entitling to Shares

As at the date of this Tender Offer Document, Efecte has issued a total of 610,720 outstanding Stock Options under the option programmes 2018 and 2021, as set forth in the following table:

	Number of Stock Options outstanding as at January 18, 2024	Number of shares each Stock Option entitles to subscribe for	Exercise price (EUR)
Stock Options 2018B	77,825	1	5.00
Stock Options 2018C	103,750	1	4.39
Stock Options 2021A	118,650	1	15.55
Stock Options 2021A1	24,000	1	15.55
Stock Options 2021B	128,145	1	11.23
Stock Options 2021B1	19,500	1	11.23
Stock Options 2021C	138,850	1	10.31

The maximum number of shares in Efecte that can be subscribed for based on the Stock Options corresponds to approximately 8.7 percent of the Shares on a fully diluted basis. For more information on Stock Options and the Option Offer Price, see “*Information on the Pricing of the Tender Offer*”. In addition, on March 22, 2023, Efecte’s Annual General Meeting authorized the Board of Directors of the Company to resolve on the issuance of shares, option rights and other special rights entitling to shares, as described below in “– *Authorizations – Authorization Regarding the Issuance of Shares, Option Rights and Other Special Rights Entitling to Shares*”.

Efecte also operates Share-based Incentive Schemes for its employees and CEO, as described above in “*Background and Objectives – Share-based Incentive Plans of Efecte*”.

## Authorizations

### *Authorization Regarding the Issuance of Shares, Option Rights and Other Special Rights Entitling to Shares*

On March 22, 2023, the Annual General Meeting of Efecte authorized the Board of Directors of the Company to resolve on the issuance of shares, option rights and other special rights entitling to shares referred to in Chapter 10 Section 1 of the Finnish Companies Act in one or several instalments. 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 620,000 shares, which corresponds to approximately 9.6 percent of all the shares in Efecte.

The authorization includes the right to deviate from the shareholders’ pre-emptive right, and the Board of Directors is entitled to decide on any terms and conditions of the issuance of shares, option rights and other special rights entitling to shares, including the recipients and the compensation to be paid, if any.

The authorization is valid until the close of the next annual general meeting, however, no later than June 30, 2024.

### *Authorization Regarding the Repurchase of Own Shares*

On March 22, 2023, the annual general meeting of Efecte authorized the Board of Directors to resolve on the repurchase of the Company’s own shares. The number of shares to be repurchased may not exceed 450,000 shares, which corresponds to approximately 7.0 percent of all the shares in Efecte.

The shares may be repurchased in order to improve the capital structure of the Company, to carry out acquisitions or other arrangements related to the Company’s business, to be transferred or cancelled for other purposes, to be used in the Company’s incentive plans, or if the Board of Directors otherwise deems it to be in the interest of shareholders.

The price paid for the shares repurchased under the authorization shall be based on the market price of the Company's share in public trading. The minimum price to be paid shall be the lowest market price of the share quoted in public trading during the authorization period and the maximum price the highest market price quoted during the authorization period. The shares would be repurchased by using funds from the Company's unrestricted shareholders' equity.

The repurchase of own shares may be made otherwise than in proportion to the shareholdings of the shareholders (directed repurchase).

The authorization is valid until the close of the next annual general meeting, however, no later than June 30, 2024.

### **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 Efecte or containing information that would materially affect the assessment of the benefits of the Tender Offer.

### **Board of Directors, CEO and Auditor**

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

According to the articles of association of Efecte, the Company's Board of Directors is composed of at least three and no more than six members. The annual general meeting of shareholders of Efecte elects the members of the Board of Directors. As at the date of this Tender Offer Document, the Board of Directors of the Company consists of the following persons: Pertti Ervi (Chair), Esther Donatz, Eric Gustavsson, Turkka Keskinen and Panu Hannula.

Pursuant to the articles of association of the Company, the Company has a CEO. Under the Finnish Companies Act and the articles of association, the CEO is appointed by the Board of Directors of the Company. As at the date of this Tender Offer Document, the CEO of Efecte is Niilo Fredrikson.

The auditor of Efecte is BDO Oy, with Taneli Mustonen, Authorized Public Accountant, as the responsible auditor.

### **Efecte's Ownership in the Offeror**

To the knowledge of the Offeror, Efecte 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 company release published by Efecte on January 18, 2024 regarding Efecte's preliminary financial information for the three months ending on December 31, 2023, the unaudited consolidated business review published by Efecte as at and for the nine months ended September 30, 2023, and the unaudited consolidated interim financial report published by Efecte as at and for the six months ended June 30, 2023, are included in this Tender Offer Document in the form published by Efecte (see "*Annex A: Financial Information of Efecte*"). The audited consolidated financial statements of Efecte 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 also included in this Tender Offer Document (see "*Annex A: Financial Information of Efecte*") in the form published by Efecte.

### **Future Prospects Published by Efecte**

The future prospects and guidance for the year 2024 have been described by Efecte in the company release published on January 18, 2024, on Efecte's preliminary financial information for the three months ending on December 31, 2023, and in the unaudited consolidated business review published by Efecte as at and for the nine months period ended September 30, 2023 in the form published by Efecte. See "*Annex A: Financial Information of Efecte*".

### **Articles of Association**

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

**FINANCIAL INFORMATION OF EFECTE**

*The company release published by Efecte on January 18, 2024 regarding Efecte's preliminary financial information for the three months ending on December 31, 2023, the unaudited consolidated business review published by Efecte as at and for the nine months ended September 30, 2023, the unaudited consolidated interim report published by Efecte as at and for the six months ended June 30, 2023, and Board of Directors' report and the audited consolidated financial statements published by Efecte as at and for the financial year ended December 31, 2022, as they have been included in this Tender Offer Document, are based on information made public by Efecte. The Offeror does not accept any responsibility for such information except for the accurate reproduction of such information in this Tender Offer Document*

**Index to Financial Information**

- Company release published by Efecte on January 18, 2024, regarding Efecte's preliminary financial information for the three months ending on December 31, 2023
- Unaudited consolidated business review published by Efecte as at and for the nine months ended September 30, 2023.
- Unaudited consolidated interim report published by Efecte as at and for the six months ended June 30, 2023.
- Board of Directors' report and the audited consolidated financial statements published by Efecte as at and for the financial year ended December 31, 2022.

Published: 2024-01-18 07:40:00 CET

Efecte Oyj  
Company Announcement

## Efecte Plc provides preliminary financial information for 10-12/2023 and guidance for 2024

### Efecte Plc provides preliminary financial information for 10–12/2023 and guidance for 2024

Efecte Plc – Company Announcement – 18 January 2024 at 8.40 am

Efecte Plc (“**Efecte**”) provides preliminary information on its key figures for 10-12/2023 and financial guidance for full year 2024 in order to ensure equal access to information for all shareholders in connection with the public tender offer for all its outstanding shares and option rights by European 24 BidCo Oy announced today on 18 January 2024.

#### Group key figures

Efecte’s preliminary key figures are presented below (all figures are unaudited).

1000 EUR	10-12/2023	10-12/2022	2023	2022
Net sales	6 536	5 910	24 688	21 607
EBITDA	97	-184	168	-13
Adjusted EBITDA <sup>1</sup>	532	-42	802	519
EBIT	-271	-488	-1 211	-864
SaaS MRR	1 490	1 270	1 490	1 270

<sup>1</sup> Excludes following costs related to inorganic activities and other non-recurring costs: 0.4 million in 10-12/2023, 0.1 million euro in 10-12/2022, 0.6 million euro in 2023, and 0.5 million euro in 2022.

1000 EUR	31.12.2023	31.12.2022
----------	------------	------------

Non-current assets	8 020	7 695
Current assets	7 544	7 686
Total assets	15 564	15 380
Total equity	3 415	4 397
Total liabilities	12 149	10 983
Non-current liabilities	1 287	1 572
Current liabilities	10 862	9 411
Equity and liabilities	15 564	15 380

### Guidance for the year 2024

In 2024, Efecte's net sales are expected to be approximately EUR 25 – 30 MEUR, SaaS net sales is expected to grow over 15% and adjusted EBITDA margin is expected to be 3 – 9 %.

### Guidance for 2023 and long-term financial targets

Efecte's previously issued guidance for 2023 and long-term financial targets remain unchanged.

### Additional information:

Interim CFO Tommi Mäkinen, +358 40 042 1659

CEO Niilo Fredrikson, +358 50 356 7177

### Certified adviser:

Evli Oyj, +358 40 579 6210

### Efecte Plc

*Efecte helps people to digitalize and automate their work. Customers across Europe leverage our cloud service to operate with greater agility, to improve the experience of end-users, and to save costs. The use cases for our solutions range from IT service management and ticketing to improving employee experiences, business workflows, and customer service. We are the European Alternative to the global goliaths in our space. Our headquarters is located in Finland and we have regional hubs in Germany, Poland, Spain and Sweden. Efecte is listed on the Nasdaq First North Growth Market Finland marketplace.*

[www.efecte.com](http://www.efecte.com)

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Published: 2023-11-01 07:30:00 CET

Efecte Oyj  
Company Announcement

## Efecte Plc's business review on 1-9/2023 - Q3 SaaS +19%, adjusted EBITDA margin 6%

EFFECTE PLC -- BUSINESS REVIEW -- 1 NOVEMBER 2023 at 8.30

### Efecte Plc's business review on 1-9/2023 – Q3 SaaS +19%, adjusted EBITDA margin 6%

7-9/2023:

- Total net sales grew by 11% and was 5.9 million euro (5.3)
- SaaS grew by 19% and international SaaS by 18%
- EBITDA was 0.3 million euro (0.1) and EBIT -0.1 million euro (-0.2)
- Adjusted EBITDA<sup>1</sup> was 0.4 million euro (0.3)
- EBITDA margin was 5% (2%) and adjusted EBITDA<sup>1</sup> margin was 6% (5%)
- Key product launches: Effie AI and ITSM Essentials

1-9/2023:

- Total net sales grew by 16% and was 18.2 million euro (15.7)
- SaaS grew by 24% and international SaaS by 30%
- EBITDA was 0.1 million euro (0.2) and EBIT -0.9 million euro (-0.4)
- Adjusted EBITDA<sup>1</sup> was 0.3 million euro (0.6)
- EBITDA margin was 0% (1%) and adjusted EBITDA<sup>1</sup> margin was 1% (4%)

### Guidance for 2023 (unchanged):

SaaS net sales is expected to grow over 20% and adjusted EBITDA to be positive.

### Group key figures

1000 EUR	7-9/2023	7-9/2022	1-9/2023	1-9/2022	2022
Net sales	5 905	5 340	18 152	15 697	21 607

EBITDA	305	93	71	172	-13
Adjusted EBITDA <sup>1</sup>	361	263	269	562	519
EBIT	-56	-194	-940	-375	-864
SaaS MRR	1 417	1 165	1 417	1 165	1 270

<sup>1</sup> Excludes following costs related to inorganic activities: 0.1 million euros in 7-9/2023, 0.2 million euro in 1-9/2023, 0.4 million euro in 1-9/2022 and 0.5 million euro in 2022.

## CEO Niilo Fredrikson:

### Profitability started to improve

The third quarter of 2023 marked an important turning point as our profitability started to improve in line with our plan after the investment phase that we started last year. Going forward, we plan to be on a steady trajectory of increasing profitability. We are on track to meet our profitability guidance for this year. During next year, we plan to turn also EBIT positive, and we are confident about meeting the double-digit EBITDA margin we have set as a target for 2025.

SaaS grew by 19%, which was in line with our expectation for slightly slower growth during the second half of the year. We continued to take market share, a key opportunity in the challenging market that we have been experiencing. Especially new but also some existing customers were cautious in their decision making. In our planning process, we expect this customer sentiment to extend into next year before starting to improve again towards the end of 2024. Good traction in Sweden continued with another public sector win, Region Gävleborg. Finland, Germany and Poland added also new customers. International growth slowed down with IntelliWISE numbers becoming part of the comparison period, more churn than usual and weakness of the Swedish krona all having an impact.

### Product progress

Our Digitalize & Automate events turned out successful. At the Helsinki main event, we launched Effie AI, a new type of personal AI-based assistant that helps service management agents and end-users to work smarter. The initial launch included various features, such as Effie AI Email, which helps agents to answer emails faster and with less effort and Effie AI Chatbot, helping end-users resolve more issues independently. Initial customer feedback has been very positive and confirmed the relevance and timeliness of what we have been bringing to the market.

Another key product launch during the quarter was ITSM Essentials. It's designed to meet customers' need for an easy-to-start and quick-to-adopt service management solution. We package basic IT processes, reports, integrations, documentation and training into a standard ITIL compliant solution. Capabilities designed for today's digital native organizations include modern self-service with omnichannel support, conversational interfaces, and AI assistance. Differentiating from other similar basic packages, Efecte ITSM Essentials comes with full flexibility for functional expansions and "Cloud on Your Own Terms" deployment models. We expect the new offering to improve our competitiveness in the smaller end of our targeted customer base and through that eventually reduce our customer acquisition cost.

### Sharpening our focus



Our ambition continues to be bold – to build the clear European leader in service management, challenging the global goliaths in our space. We are now halfway through our strategy period 2022-2025. While we have been successful in growing and adapting to the changing market, we want to do more to make progress faster and ensure we see significant increases in profitability.

Accordingly, we have refined our approach across the four cornerstones of our strategy: Growth, Product, People and M&A. To maximize organic growth with a good return on investment, we will focus more on our existing markets and less on expansion. In product, we will double down on AI, continue our investment in user experience and further increase the scalability and productization of our ITSM, ESM and IGA offerings. Our people and culture remain a central asset and focus area for us, with working smarter to increasing productivity being a key target. Following the recent acquisition of the small Requeste business and assets, exploring further consolidation of the market will be a key part of our M&A strategy. We will also continue to look for further add-on acquisitions to complement our platform.

From an operational point of view, we will further streamline our organization, develop our way of operating and adjust our costs. At the same time with this business review, we are releasing information on change negotiations that are part of our efforts to ensure we are set up optimally to reach our goals now and in the future.

### **Other developments**

Our cash and liquid assets were 2.3 million euro (3.4) and interest-bearing financial debt of 1.6 million euro (1.7) at the end of the review period.

On a rolling 12-month basis, recurring gross margin was 79% (81%), gross churn 5.3% (1.6%), net retention rate 108% (114%), LTV/CAC ratio 5.0 (18.8) and total recurring revenue (SaaS and maintenance) amounted to 72% of net sales (68%). The significant drop in LTV/CAC is for the most part attributable to gross churn returning to normal levels from the exceptionally low levels last year.

Net retention, gross churn, recurring gross margin, CAC and LTV were calculated based on Efecte numbers excluding IntelliWISE and Requeste business. We plan to start reporting consolidated metrics starting with the financial statements for the full year 2023 and for Requeste business starting from business review 1-9/2024.

The number of full-time equivalent employees at the end of the review period was 206 (187). Of these, 127 (121) were in Finland, 51 (42) in Poland, 18 (17) in Germany, 8 (7) in Sweden and 2 (1) in Spain. The average number of full-time equivalent employees during Q3 was 207 (184). Our central team in Finland acts globally supporting customers, partners and sales in all markets and includes the headcount responsible for our New Markets operation.

During the review period, we signed also Juha Westerlund as our new Chief Revenue Officer and leadership team member. Juha brings extensive experience of growing internationally with a SaaS business model and will start in his role at Efecte on November 27<sup>th</sup>.

### **Long-term financial targets**

By 2025, grow organically to 35 MEUR total net sales, maintain an average SaaS growth of over 20% and reach a double-digit EBITDA margin.

Through organic growth and acquisitions, become eventually the largest European service management vendor with total net sales over 100 MEUR and EBITDA margin exceeding 25 %.

### **Guidance for the year 2023**

SaaS net sales is expected to grow over 20% and adjusted EBITDA to be positive.

### **Next earnings release**

Efecte will publish complete financial statements for 2023 on 15 February 2024.

Additional information:

Interim CFO Tommi Mäkinen, +358 40 042 1659

CEO Niilo Fredrikson, +358 50 356 7177

Certified adviser:

Evli Oyj, +358 40 579 6210

This release is unaudited. The amounts in this report have been rounded from exact numbers.

An online briefing for analysts, investors and media will be arranged on Wednesday 1 November 2023 at 13:00 Finnish time. All participants may follow the webcast online at <https://efecte.videosync.fi/2023-q3>. The webcast will be held in English and questions can be presented in written form in the webcast portal. A recording of the webcast and presentation materials will be made available afterwards on the company's investor pages at [investors.efecte.com](https://investors.efecte.com).

*Efecte Plc*

*Efecte helps people to digitalize and automate their work. Customers across Europe leverage our cloud service to operate with greater agility, to improve the experience of end-users, and to save costs. The use cases for our solutions range from IT service management and ticketing to improving employee experiences, business workflows, and customer service. We are the European Alternative to the global goliaths in our space. Our headquarters is located in Finland and we have regional hubs in Germany, Poland, Spain and Sweden. Efecte is listed on the Nasdaq First North Growth Market Finland marketplace.*

[www.efecte.com](https://www.efecte.com)

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efecte

# Efecte Plc Half year report 1-6/2023

11 AUGUST 2023 at 8:30

# Contents

Overview	03	Shares and Trading	09
CEO Niilo Fredrikson	04	Shareholders	09
Net Sales and Profit	05	The Authorizations Given to Board of Directors	10
Finance and Investments	06	Option Programs	10
Business Developmets	06	Events after period end	10
Employees	06	Assesment of Risks and Uncertainties	11
Market Outlook	07	Long-term Financial Targets	12
Research and Development	07	Guidance for 2023	12
Annual General Meeting and Governance	08	Financial Information	13

# Efecte Plc's Half-Year Report 1-6/2023 – SaaS +26%, adjusted EBITDA margin -1%

## 4-6/2023

- Total net sales grew by 17% and was 6.2 million euro (5.3)
- SaaS grew by 25% and international SaaS by 37%
- EBITDA was 0.0 million euro (-0.1) and EBIT -0.3 million euro (-0.2)
- Adjusted EBITDA <sup>1</sup> was 0.1 million euro (0.1)
- EBITDA margin was 0% (-1%) and adjusted EBITDA <sup>1</sup> margin was 1% (2%)
- Success in Sweden continued with winning the city of Uppsala public tender

## 1-6/2023

- Total net sales grew by 18% and was 12.2 million euro (10.4)
- SaaS grew by 26% and international SaaS by 37%
- EBITDA was -0.2 million euro (0.1) and EBIT -0.9 million euro (-0.2)
- Adjusted EBITDA <sup>1</sup> was -0.1 million euro (0.3)
- EBITDA margin was -2% (1%) and adjusted EBITDA <sup>1</sup> margin was -1% (3%)

## GUIDANCE FOR 2023 (unchanged)

SaaS net sales is expected to grow over 20% and adjusted EBITDA to be positive.

## GROUP KEY FIGURES

1000 EUR	4-6/2023	4-6/2022	1-6/2023	1-6/2022	2022
<b>Net sales</b>	6 206	5 320	12 247	10 356	21 607
<b>EBITDA</b>	29	-65	-234	79	-13
<b>Adjusted EBITDA</b>	68	131	-92	299	519
<b>EBITA</b>	-156	-193	-599	-177	-581
<b>EBIT</b>	-299	-193	-884	-182	-864
<b>Profit for the period</b>	-273	450	-882	458	-287
<b>Earnings per share, EUR</b>	-0.04	0.07	-0.14	0.07	-0.05
<b>Equity per share, EUR</b>	0.56	0.62	0.56	0.62	0.69
<b>SaaS MRR</b>	1 377	1 097	1 377	1 097	1 270

<sup>3</sup> <sup>1</sup> Excludes following costs related to inorganic activities: 0.0 million euros in 4-6/2023, 0.1 million euro in 1-6/2023, 0.2 million euro in 1-6/2022 and 0.5 million euro in 2022.



*“We are on track to deliver the guided SaaS growth and adjusted EBITDA for the year.”*

– CEO NIILO FREDRIKSON

## CEO NIILO FREDRIKSON:

### Growth in a softening market

During the second quarter, our team had to find ways to navigate a softening market. SaaS growth was strong at 25%, driven by solid organic growth and the IntelliWISE acquisition. The highlight of the quarter was our success in Sweden. We won the significant city of Uppsala public tender and continued to develop a strong public sector pipeline. In Spain, we signed another new customer. Finland delivered important orders and project deliveries, finishing off an overall strong first half. The enhanced AI features leveraging GPT that we launched and further developed during the review period were received with excitement by many customers.

At the same time, we were not completely immune to the apparent slowdown in the market. Professional services topline and profitability were throughout the first half lower than expected. Customer buying behavior became more cautious. And while our direct sales brought in a good number of new customers, we saw an impact on new customers through partners. In the second half, as communicated earlier, we expect SaaS growth to slow down. This is due to IntelliWISE numbers becoming part of the comparison period, and a slight decrease in the expected organic growth rate.

That said, we remain confident about our plan. We are on track to deliver the guided SaaS growth and adjusted EBITDA for the year. The bottom-line impact of less-than-expected professional services revenue has been and will be mitigated through managing our cost level.

### Continuing strategy execution

The operating environment is challenging to everybody in the market, and we consider it an opportunity to strengthen our relative position and take market share. "When the going gets tough, the tough get going" holds true also in this situation. To succeed, continuing our strategy execution is key: serving our customers to grow organically, developing our product, taking care of our people and culture – and doing clever M&A. In M&A, we see more opportunities in the current market environment.

We are building the leading European vendor in service management software, and our annual Digitalize & Automate event will be another milestone on that path. This year, the event will be held in multiple locations across Europe, with the main hybrid event arranged in and streamed from Helsinki on September 19th. IT and service management leaders and enthusiasts across Europe will gather again and we will explore together how to leverage the AI revolution to digitalize and automate work even better. All interested investors and media are also welcome to join (see [www.efecte.com](http://www.efecte.com) for details).

### Additional information

CFO Taru Mäkinen, +358 40 507 1085

CEO Niilo Fredrikson, +358 50 356 7177

### Certified adviser

Evli Oyj, +358 40 579 6210

## NET SALES AND TYPE

Net sales, 1000 EUR	4-6/2023	4-6/2022	1-6/2023	1-6/2022	2022
SaaS	4 127	3 310	8 126	6 442	13 760
Licenses	0	1	8	15	48
Maintenance	205	229	412	459	901
Services	1 875	1 780	3 701	3 441	6 899
<b>Group total</b>	<b>6 206</b>	<b>5 320</b>	<b>12 247</b>	<b>10 356</b>	<b>21 607</b>

## NET SALES AND PROFIT

Efecte's net sales in 1-6/2023 were 12.2 million euro (10.4), a growth of 18%. Net sales for customers out-side Finland were 2.9 million euro (2.4), corresponding to 24% of total net sales (23%).

Software as a Service (SaaS) grew 26% and services net sales increased by 8%. Net sales of perpetual licenses have become insignificant in line with our strategy. Net sales generated by maintenance continued its long-term declining trend. Our total recurring revenue (SaaS and maintenance) amounted to 8.5 million euro (6.9), corresponding to approximately 70% of net sales (67%).

SaaS MRR was 1 377 thousand euro in the end of June, a growth of 26% year-over-year. Of that growth, 9 percentage points came from existing customers (net retention rate of 109%) and 16 percentage points from new customers since 6/2022 and from customers of acquired InteliWISE. Gross churn amounted to 4.9% (2.2%). Our recurring gross margin stood at 80% at the end of June (81%). At the end of the period, the share of SaaS MRR attributable to enhanced support packages that include administrator services for customers was 6 thousand euro.

Our average customer acquisition cost (CAC) on a rolling 12-month basis was 82 thousand euro (81), and the average life-time value (LTV) of an acquired new customer was 478 thousand euro (1 285). Accordingly, the LTV/CAC ratio was 5.8 (15.9). This means that the cost of customer acquisition is earned 5.8 times during the lifetime of the customer. The significant drop in LTV is for the most part attributable to gross churn returning to normal levels from the exceptionally low levels last year.

Net retention, gross churn, recurring gross margin, CAC and LTV were calculated based on Efecte numbers excluding InteliWISE. We plan to start reporting consolidated metrics starting with the financial statements for the full year 2023.

Services net sales grew 8%. Our strategy is to focus on growing our SaaS business and the Services business is there to support adoption with the help of our partner network. SaaS formed already 66% of total net sales (62%).

EBITDA was -0.2 million euro (0.1), and EBIT was -0.9 million euro (-0.2). Profitability was impacted by go-to-market and R&D investments, as well as the slightly lower than before profitability of professional ser-vices.

Adjusted EBITDA was -0.1 million euro (0.3). Adjusted EBITDA is calculated from EBITDA by deducting the costs affecting comparability. During the review period, these items included costs related to inorganic activities amounting to 0.1 million euro.

Income tax expenses were 0.0 million euro (0.7) positive due to the recognition of deferred tax assets from unused tax losses in Finnish taxation. Total confirmed losses from years 2014-2022 are 2.8 million euro for Efecte Finland Oy and 4.3 million euro for Efecte Oyj. Total tax impact of 20% is 1.4 million euro of which 0.1 million euro were capitalized during the review period. Taxes corresponding to the profits in group companies of the period have been entered as tax expenses. Efecte has confirmed tax losses in the taxation for Finland, so there was no income tax expense in Finland.

Net profit for the period was -0.9 million euro (0.5).

<sup>5</sup> This release is unaudited. The amounts in this report have been rounded from exact numbers.



## FINANCE AND INVESTMENTS

At the end of the reporting period, the balance sheet for Efecte group totaled 16.6 million euro (13.5). Equity ratio was 35% (47%) and net gearing was -49% (-43%).

At the end of the reporting period, the Company's financial loans were 1.7 million euro (0). The company's cash and liquid assets were 3.5 million euro (1.7).

Cash flow from operating activities for the reported period was 1.3 million euro (1.6) and cash flow from investing activities was -0.8 million euro (-6.5). Investments in tangible and intangible assets were 0.8 million euro (0.7) and were mainly activated R&D expenses. Cash flow from financing activities was -0.1 million euro (0.1). Cash flow from financing activities consisted of subscriptions relating to stock options and loan repayments.

## BUSINESS DEVELOPEMENTS

During the review period, we focused again on helping customers digitalize and automate their work. Customers use our cloud-based solutions to digitalize and automate processes in three key areas: Enterprise Service Management (ESM), Identity Governance and Administration (IGA) and Conversational AI.

The first half of 2023 was solid with SaaS growth of 26%, supported by demand from both existing and new customers. In total we signed 35 new customers in Finland, Scandinavia,

DACH, Spain and Poland, of which almost half from outside Finland. Of the new customers during the period, four came through partners. Through the former IntelliWISE business, we signed seven new customers during the review period. In addition to the new customers, we also helped our existing customers to expand the usage of Efecte in ITSM and ESM. On a rolling 12-month basis, existing customers accounted for 56% of the SaaS MRR growth. We saw growing interest in our conversational AI offering and first customers took Efecte Chat for Service Management into production use.

Our existing direct markets in Finland, Scandinavia, DACH, Poland and Spain continued to grow despite the macroeconomic environment. Especially the growth plan laid out in 2022 for Scandinavia paid off. We also continued working with our partner network, where new customer acquisition was impacted by the softening market. During the review period, our main focus was on sales enablement and co-selling with our existing partners. New partners were added in Spain, Sweden and UK.

Our professional services business growth was impacted by customer decision making slowing down. This led to somewhat lower profitability than we expected.

During the review period, we were also actively exploring acquisition opportunities and were engaged in discussions with interesting targets. However, we did not move forward with any transactions, as valuation expectations from sellers did not meet our strict criteria. In the current market environment, we see new opportunities for acquisitions, including consolidation of the service management market.

## EMPLOYEES

The number of full-time equivalent employees at the end of the review period was 210 (141). Of these, 127 (118) were in Finland, 54 (0) in Poland, 20 (17) in Germany, 8 (7) in Sweden and 2 (0) in Spain. The average number of employees during Q2 was 207 (138) and during H1 it was 203 (134). Our central team in Finland acts globally supporting customers, partners and sales in international markets and includes the headcount responsible for our New Markets operation.

Jenni Mickos joined Efecte in June as new VP, Services and member of the Leadership Team. She is responsible for Efecte's post-sale customer journey, including support and professional services.

The company's leadership team composition at the end of the review period was the following: Niilo Fredrikson (CEO), Taru Mäkinen (CFO), Niina Hovi (people and culture), Topias Marttila (technology), Marcin Strzalkowski (marketing and country manager Poland), Santeri Jussila (products) and Jenni Mickos (services).



## MARKET OUTLOOK

Our main offerings Service Management, IGA and Conversational AI are enablers for the megatrends of digitalization and servitization (everything as a service). Companies across different industries still look for cloud-based solutions to digitalize and automate their operations to provide greater agility to the business, improve end-user experiences, and to save costs. While we also see the market softening due to the current macroeconomic environment and competitive pressure increasing, we remain confident in our strategy.

The move from on-premises software to cloud will also continue. While cloud adoption in the Nordics has reached 70%, cloud adoption in the rest of Europe is still only around 40%. Service management solutions are extremely sticky, with replacement cycles often being five years or longer.

Our estimate of the total current cloud ITSM and ESM market size in Europe is 1.3 billion euro, the IGA market 1.4 billion euro and the Conversational AI market 1.4 billion euro. Analyst estimates for compound annual growth for the next three years are still generally in the double digits for all these markets. Especially in service management, the market is today being divided by a few strong global players and a larger number of smaller local vendors.

We have seen European customers prioritize privacy, security and data location more than before especially in the public sector. With our competitive solution offering combined with flexible cloud deployment models we have a significant opportunity to meet that demand and serve those customers.

## RESEARCH AND DEVELOPMENT

In product development, we started the year by laying out roadmap priorities that are aligned with our broader company vision and product strategy. We set three specific themes to guide our development in 2023: Easier to Use, Work Smarter with AI and Faster to Start & Maintain.

With Easier to Use, our goal is to help customers improve their employees' experience and NPS (Net Promoter Score) by providing modern, intuitive, and easy-to-use user interfaces for both the end-users consuming services and the agents supporting them. During the review period, we took important steps towards this goal. The next generation of our self-service product achieved a major milestone with the first customer in production use. The renewal of our agent user interface renewal progressed also well, with shipping the first beta version of the core workspace.

We have increased our focus on AI and the Work Smarter with AI priority targets to help employees cope with increasing workloads with the help of AI-assisted automation. The main highlight in this area during the first half was the launch of GPT-powered Chat. It allows agents to have better end-user conversations with less effort. GPT-powered Chat leverages the power of AI-based large language models, which have been transforming the tech industry in recent months. Thanks to our earlier IntelliWISE acquisition, we were able to move fast and were among the first vendors globally who released GPT-powered features for Service Management. During the review period our Conversational AI product family also made good progress with customers. Efecte Chat for Service Management

went into production use with the first customers.

With Faster to Start & Maintain we target to systematically improve our platform for faster time to value and reduced operational costs. During H1 we shipped again tens of platform improvements, such as more robust base configurations, new productized connectors and quality & security improvements. In the service management space, we started the work on a new ITSM Essentials package. We aim to provide new customers with an easier and lower cost way to start the service management journey, without taking away the great flexibility to grow and expand that the Efecte platform provides. In the IGA space, we focused on improving the product packages launched last year to better meet customer demand with less effort and better quality.

Efecte's total research and development investment during the review period was 2.4 million euro (2.3). Research and development costs amounted to 1.8 million euro (1.6). In addition, 0.7 million euro (0.7) was capitalized, and 0.1 million euro (0.0) was covered through public funding.

Research and development actions are performed in Efecte Finland Oy, IntelliWISE S.A and its subsidiaries in Poland. In addition to our own personnel, subcontractors were used to increase flexibility and cost efficiency.

#### Group's research and development investment level in H1/2021-H1/2023:

	H1/2023	H1/2022	H1/2021
Research and development investment (million euro)	2.4	2.3	1.5
Research and development investment (% of net sales)	20%	22%	17%

#### ANNUAL GENERAL MEETING AND GOVERNANCE

The Annual General Meeting held on 22 March 2023 adopted the financial statements for 1 January - 31 December 2022 and discharged the members of the Board of Directors and the CEO from liability. The Annual General Meeting decided that no dividend is distributed for the year 2022.

The Annual General Meeting decided that the annual remuneration remains unchanged and is EUR 45,000 for the Chair of the Board and for the other members of the Board of Directors EUR 25,000 each. Approximately 40% of the remuneration was paid in Efecte Plc's shares and approximately 60% in cash.

Esther Donatz, Pertti Ervi, Turkka Keskinen and Eric Gustavsson were re-elected as members of the Board of Directors, and Panu Hanula was elected as a new member of the Board of Directors. The organizational meeting of the Board of Directors elected Pertti Ervi as the Chair of the Board of Directors.

BDO Oy was elected as the auditor, with Taneli Mustonen as the auditor in charge.

The meeting decided that Article 9 of the articles of association of the Company is amended to enable holding a general meeting entirely without a meeting venue as a so-called remote meeting in addition to the Company's domicile Espoo or in Helsinki as currently provided in the articles of association.

## SHARES AND TRADING

The company has one share series, and all shares carry equal rights. At the end of the review period, Efecte Plc's share capital consisted of 6 387 174 shares. The company owned 5 882 treasury shares, ap-prox. 0.1% of the total amount of the shares.

The company's share has been trading on the Nasdaq First North Growth Market Finland marketplace. During the review period the highest share price was 11.20 euro, the lowest price 9.70 euro and the closing price 10.15 euro. The market value of shares was 64.8 million euro at the end of the period excluding the treasury shares.

## SHAREHOLDERS

The company had a total of 2 574 owners on 30 June 2023 (2 604). The list of the largest owners and the distribution of shareholders can be found on the company's web site.

The ownership of the Board members, CEO and their controlled entities totaled approximately 2.4% at the end of the reporting period. Additionally, the options held by the CEO entitle him to subscribe shares repre-senting approximately 2.2% of the outstanding shares.

The total proportion of nominee registered shares was approximately 28.6 % of all shares.

### 10 largest shareholder as of 30 June 2023:

	Shareholder	Shares	%
1	First Fellow Oy	810 499	12.69
2	Sijoitusrahasto Aktia Nordic Micro Cap	469 269	7.35
3	Oy Fincorp Ab	449 438	7.04
4	Keskinäinen Eläkevakuutusyhtiö Ilmarinen	290 909	4.56
5	Montonen Markku	210 571	3.30
6	Op-Suomi Mikroyhtiöt -Erikoissijoitusrahasto	200 834	3.14
7	Nordea Nordic Small Cap Fund	111 662	1.83
8	Ervi Pertti	91 657	1.44
9	Säästöpankki Pienyhtiöt	80 000	1.25
10	Urpalainen Jörgen	75 240	1.18

## THE AUTHORIZATIONS GIVEN TO THE BOARD OF DIRECTORS

The Annual General Meeting held on 22 March 2023 authorized the Board of Directors to decide to acquire the company's own shares with distributable funds. A maximum of 450 000 shares may be acquired. The authorization is effective until the next Annual General Meeting, however, at the latest until 30 June 2024.

The Annual General Meeting held on 22 March 2023 authorized the Board of Directors to issue a maximum of 620 000 shares through a share issue and/or by issuing option rights or other special rights entitling to shares referred to in Chapter 10 Section 1 of the Limited Liability Companies Act. The Board may decide to issue new shares or shares held by the company. The authorization includes the right to issue shares and option rights and/or other special rights entitling to the shares through private offering, in other words, to deviate from the shareholders' pre-emptive right subject to the requirements set forth in the Limited Liability Companies Act. In addition, the authorization includes a right to issue shares and option rights and/or other special rights entitling to shares with or without payment. Under the authorization, the Board of Directors will be entitled to decide on the terms and conditions of any share issue and the issuance of option rights and other special rights entitling to shares, including the recipients and the remuneration to be paid. The authorization is effective until the next Annual General Meeting, however, at the latest until 30 June 2024.

## OPTION PROGRAMS

### Option program 2018

Option program 2018 consists of 450 000 options that entitle the holders to subscribe one share per option.

The options are divided to three series: A, B and C series. Series A consists of 170 000 options (of which 163 750 allocated and all of which subscribed) with subscription price of 5.75 euro/share and subscription period of 2 May 2021 - 31 May 2022; series B of 140 000 options (of which 134 325 allocated and 27 000 subscribed) with subscription price of 5.00 euro/share and subscription period of 2 May 2022 - 31 May 2024; and C series of 140 000 options (of which 140 000 allocated and 13 350 subscribed) with subscription price of 4.39 euro/share and subscription period of 2 May 2023 - 31 May 2025.

In connection with the 2018 option program, the Board of Directors has set a share-ownership requirement for the participants.

### Option program 2021

Option program 2021 consists of 450 000 options that entitle the holders to subscribe one share per option. The options are divided to three series: A series of 150 000 options (of which 121 350 allocated) with subscription price of 15.55 euro/share and subscription period of 2.5.2024 - 31.5.2026; B series of 150 000 options (of which 118 355 allocated) with subscription

price 11.23 euro/share and subscription period of 2.5.2025 - 31.5.2027; and C series of 150 000 options with subscription price 10.31 euro/share and subscription period of 2.5.2025 - 31.5.2027. A series options were allocated in 2021, B series in 2022 and C series in 2023.

In connection with the 2021 option program, the Board of Directors has set a share-ownership requirement for the participants.

## EVENTS AFTER PERIOD-END

On 8 August 2023, Efecte announced that current CFO Taru Mäkinen will leave the company by the end of September and that the Company has started the recruitment process for new CFO.

## ASSESSMENT OF RISKS AND UNCERTAINTIES

Efecte manages the risks and uncertainties facing its operations and all material risks are reviewed quarterly in the leadership team and at least annually with the Board of Directors. The key risks identified include:

- Risks to data security such as non-intentional or intentional data breaches, including software vulnerabilities, phishing and ransomware attacks may cause reimbursement liabilities to customers or other third parties as well as financial losses or significant reputational harm.
- Uncertainties in the macroeconomic environment, including an increase in the energy costs, supply chain issues, and slowdown in cross-border trade could result in a prolonged recession in Efecte's key markets. A recession could slow down customer decision making and reduce customer demand.
- Malfunctioning of the software or failures in operating the company's own services or the out-sourced computing capacity and network connections may cause disruptions in services that may lead to reimbursement liabilities, reputational harm and to a decrease in customer satisfaction. This could lead to decreases in net sales and profitability.
- The rate of inflation has increased substantially recently. While most of our customer agreements allow Efecte to increase pricing, some customer agreements especially in the public sector limit our pricing power. Inflation and higher

interest rates also increase costs and may limit our capacity to acquire funding for M&A or other growth investments on terms favorable to Efecte.

- If the company is unable to recruit and retain key employees, the quality of its products and services may decrease, which can decrease revenue and profitability. Part of the research and development and service delivery are provided through subcontractors. If the operations of the subcontractors are disrupted, the effect is equivalent to lack of skilled personnel.
- The company is pursuing mergers and acquisitions (M&A) as part of its strategy and concluded its first acquisition as a listed company by acquiring IntelWISE in 2022. Risks relating to M&A include failure in the integration of the acquired business, failure to retain key personnel, failing to meet forecasted financial performance as well as claims, disputes and litigation relating to the transaction.
- The company configures its products to operate with the customer's existing systems. Delays or unexpected warranty work related to customer projects may create costs and liabilities. Although most of the projects are time and materials based, there are also fixed price projects. Potential customer dissatisfaction could result in compensation claims, negative publicity, and loss of future business.
- Investments in international growth such as forward-looking recruitments and ongoing investments in the partner program increase fixed costs. The costs may decrease profitability, if achieving growth turns out to be harder or

slower than expected.

- Risks relating to intellectual property rights (IPRs) such as the loss/leaking of own IPRs to others, and breaches of third-party IPR by Efecte are material for Efecte. Efecte seeks to minimize the risk with strict control of customer agreements and with careful evaluation of third-party software components taken into use.
- Efecte has entered into agreements with its customers concerning the processing of personal data. A failure to comply with contractual obligations in these agreements, or the requirements of the General Data Protection Regulation more broadly, may lead to significant liabilities or reputational harm.
- Efecte operates in several jurisdictions and has customers and other business partners also in additional jurisdictions outside these. Exposure to different legal and tax frameworks heighten the risk of perceived or real non-compliance.
- The company's equity stands at a sufficient level if the profitability development continues the planned trajectory. If changes in the operating environment or other factors would weaken the company's profitability, the company may have to strengthen its equity on terms that are not favorable to the company.

## LONG-TERM FINANCIAL TARGETS

By 2025, grow organically to 35 MEUR total net sales, maintain an average SaaS growth of over 20% and reach a double-digit EBITDA margin.

Through organic growth and acquisitions, become eventually the largest European service management vendor with total net sales over 100 MEUR and EBITDA margin exceeding 25 %.

## GUIDANCE FOR 2023 (unchanged)

SaaS net sales is expected to grow over 20% and adjusted EBITDA to be positive.

## NEXT EARNINGS RELEASE

Efecte will publish a business review for 1-9/2023 on 1 November 2023.

Efecte Plc  
Board of Directors

### Additional information:

CFO Taru Mäkinen, +358 40 507 1085  
CEO Niilo Fredrikson, +358 50 356 7177

### Certified adviser:

Evli Oyj, tel. +358 40 579 6210

A webcast for analysts, investors and media will be arranged on Tuesday 11 August 2023 at 14:00 Finnish time. Everyone interested can register to the webcast online at <https://efecte.videosync.fi/2023-q2>. The webcast will be held in English and written questions can be presented in the webcast portal. A recording of the webcast and presentation materials will be made available afterwards on the company's investor pages at [investors.efecte.com](https://investors.efecte.com).

## Efecte Plc

Efecte helps people digitalize and automate their work. Customers across Europe leverage our cloud service to operate with greater agility, to improve the experience of end-users, and to save costs. The use cases for our solutions range from IT service management and ticketing to improving employee experiences, business workflows, and customer service. We are the European Alternative to the global goliaths in our space. Our headquarters is located in Finland and we have regional hubs in Germany, Poland, Spain and Sweden. Efecte is listed on the Nasdaq First North Growth Market Finland marketplace.

[www.efecte.com](https://www.efecte.com)

# Financial Information

- 1 Consolidated income statement, balance sheet, cash flow statement and statement of changes in equity
- 2 Notes
  - 2.1 Basis of Preparation
  - 2.2 Development of Number of Shares
  - 2.3 Commitments
- 3 Key Figures
- 4 Calculation of key figures

This release is unaudited. The amounts in this report have been rounded from exact numbers.

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## 1. CONSOLIDATED INCOME STATEMENT, BALANCE SHEET, CASH FLOW STATEMENT AND STATEMENT OF CHANGES IN EQUITY

### CONSOLIDATED INCOME STATEMENT

(1 000 EUR)	1-6/2023	1-6/2022	2022
Net sales	12 247	10 356	21 607
Other operating income	196	31	115
Materials and services	-1 434	-1 058	-2 339
Personnel expenses	-8 194	-6 702	-13 697
Other operating expenses	-3 049	-2 548	-5 699
EBITDA	-234	79	-13
Other depreciation and amortization	-365	-256	-568
EBITA	-599	-177	-581
Goodwill amortization	-284	-5	-283
EBIT	-884	-182	-864
Financial income and expenses	-46	-18	-71
Profit before income tax	-930	-199	-935
Income tax	48	657	646
Minority	-	-	2
Profit for the period	-882	458	-287

### CONSOLIDATED BALANCE SHEET

(1 000 EUR)	6/2023	6/2022	12/2022
<b>Non-current assets</b>			
Development expenses	2 477	1 674	2 059
Other intangible assets	75	129	102
Consolidated goodwill	5 126	-	5 404
Other long-term expenses	13	7	5
Machinery and equipment	200	94	125
<b>Current assets</b>			
Trade and other receivables (long-term)	812	714	776
Trade and other receivables (short-term)	4 405	9 240	3 830
Short-term investments	1	-	1
Cash and cash equivalents	3 475	1 668	3 080
<b>Total assets</b>	<b>16 582</b>	<b>13 526</b>	<b>15 380</b>
<b>Equity attributable to owners of the parent Company</b>			
Share capital	80	80	80
Share issue	49	121	5
Reserve of invested non-restricted equity	13 229	11 819	13 211
Retained earnings	-9 788	-8 132	-8 899
<b>Total equity</b>	<b>3 570</b>	<b>3 888</b>	<b>4 397</b>
<b>Non-current liabilities</b>			
Financial loans	1 429	-	1 571
Other payables	1	-	1
<b>Current liabilities</b>			
Financial loans	292	-	290
Advances received	6 234	5 259	4 005
Trade payables	724	723	1 023
Other payables	1 303	854	1 069
Accruals	3 029	2 802	3 023
<b>Total liabilities</b>	<b>13 012</b>	<b>9 637</b>	<b>10 983</b>
<b>Equity and liabilities</b>	<b>16 582</b>	<b>13 526</b>	<b>15 380</b>



## SUMMARY CONSOLIDATED CASH FLOW STATEMENT

(1 000 EUR)	1-6/2023	1-6/2022	2022
Cash flows from operating activities	-930	-199	-935
Profit before income tax	696	279	922
Adjustments to profit for the period	1 602	1 510	643
Change in working capital	-46	-18	-71
Interest and other financial cost paid	-2	-1	-12
Income taxes paid	1 319	1 571	547
<b>Net cash from operating activities</b>			
Cash flows from investing activities	-845	-677	-1 367
Acquisition of tangible and intangible assets	-	-5 872	-5 880
Acquisition of subsidiaries, net of cash acquired	-845	-6 549	-7 248
<b>Net cash from investing activities</b>			
Cash flows from financing activities	62	138	1 415
Share issues	-	-	2 000
Withdrawal of non-current financial loans	-141	-	-141
Repayment of non-current financial loans	-79	138	3 274
<b>Net cash from financing activities</b>			
(Decrease)/increase in cash and cash equivalents	395	-4 840	-3 427
Cash and cash equivalents at the beginning of the period	3 080	6 508	6 508
<b>Cash and cash equivalents at the end of the period</b>	<b>3 475</b>	<b>1 668</b>	<b>3 080</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

1000 EUR	30.6.2023	30.6.2022
<b>Permanent equity</b>		
Share capital 1.1.	80	80
Share capital 30.6	80	80
Permanent equity in total	80	80
<b>Distributable equity</b>		
Share issue 1.1	5	23
Registration of shares	-5	-23
Unregistered share issue	49	121
Share issue 30.6	49	121
Reserve of invested non-restricted equity 1.1.	13 211	11 779
Share issue	18	40
Reserve of invested non-restricted equity 30.6	13 229	11 819
Retained earnings 1.1.	-8 899	-8 573
Translation differences	-7	-17
Retained earnings 30.6	-8 906	-8 590
Profit (loss) for the period	-882	458
Distributable equity	3 490	3 808
<b>Total equity</b>	<b>3 570</b>	<b>3 888</b>

## 2. NOTES

### 2.1 BASIS OF PREPARATION

This interim report has been prepared in accordance with the FAS recognition and measurement principles.

### 2.2 NET SALES BY TYPE

(1 000 EUR)	1-6/2023	1-6/2022	2022
SaaS	8 126	6 442	13 760
Perpetual licenses	8	15	48
Maintenance	412	459	901
Services	3 701	3 441	6 899
<b>Group total</b>	<b>12 247</b>	<b>10 356</b>	<b>21 607</b>

### 2.3 DEVELOPMENT OF NUMBER OF SHARES

	Number of shares
1.1.2022	6 235 873
Exercise of share options	7 000
30.6.2022	6 242 873
Exercise of share options	28 916
Directed share issue	111 801
31.12.2022	6 383 590
Exercise of share options	3 584
30.6.2023	6 387 174

On 30 June 2023 Efecte Plc owns 5 882 treasury shares, approx. 0.1% of the total amount of the shares.

### 2.4 COMMITMENTS

The following tables present the company's commitments not in the balance sheet on 30 June 2023, 30 June 2022 and 31 December 2022

Guarantees given (thousand euro)	30.6.2023	30.6.2022	31.12.2022
Office lease agreements	97	56	102
Liabilities secured by mortgage	3 200	1 000	3 200
<b>Total</b>	<b>3 297</b>	<b>1 056</b>	<b>3 302</b>

Lease commitment amounts (thousand euro)	30.6.2023	30.6.2022	31.12.2022
During next 12 months	68	56	62
Later	83	65	87
<b>Total</b>	<b>152</b>	<b>121</b>	<b>148</b>

Lease agreements for computer equipment are mainly three-year lease agreements, and the equipment can be purchased at the end of the period with approx. 2-5% remainder value.

#### Other commitments

Efecte Plc has a three-year office lease agreement whose rent period started on 1 March 2023. The company's lease liability from this contract is approx. 774 thousand euro.

	30.6.2023	30.6.2022	31.12.2022
(thousand euro)	374	269	292
Payable during the next 12 months	539	251	138
Payable later	914	520	430
<b>Total</b>	<b>374</b>	<b>269</b>	<b>292</b>

### 3. KEY FIGURES

1000 eur	1-6/2023	1-6/2022	2022	2021
Net Sales	12 247	10 356	21 607	17 764
SaaS	8 126	6 442	13 760	10 886
Licenses	8	15	48	44
Maintenance	412	459	901	1 014
Services	3 701	3 441	6 899	5 820
Domestic net sales	9 539	7 957	16 275	13 365
International net sales	2 888	2 399	5 332	4 339
Domestic sales (% of net sales)	76 %	77 %	75 %	75 %
International (% of net sales)	24 %	23 %	25 %	25 %
Recurring revenue	8 538	6 901	14 661	11 900
Recurring revenue (% of net sales)	70 %	67 %	68 %	67 %
SaaS MRR, monthly net sales at the end of the period	1 377	1 097	1 270	992
Net sales growth%	18.3 %	19.2 %	21.6 %	19.3 %
EBITDA	-234	79	-13	935
EBITDA%	-1.9 %	0.8 %	-0.1 %	5.3 %
EBITA	-599	-177	-581	450
EBITA%	-4.9 %	-1.7 %	-2.7 %	2.5 %
EBIT	-884	-182	-864	431
EBIT%	-7.2 %	-1.8 %	-4.0 %	2.4 %

1000 EUR	1-6/2023	1-6/2022	2022	2021
Earnings for the period	-882	458	-287	412
Earnings/share (EPS), eur	-0.14	0.07	-0.05	0.07
Equity/share, eur	0.56	0.62	0.69	0.53
Balance sheet total	16 582	13 526	15 380	10 541
Equity	3 570	3 888	4 397	3 308
Net debt	-1 755	-1 668	-1 219	-6 508
Return on invested capital (ROI)%	-29 %	26 %	-4 %	16 %
Equity ratio%	35 %	47 %	39 %	46 %
Net gearing%	-49 %	-43 %	-28 %	-197 %
Research and development cost	1 827	1 622	3 128	2 630
Research and development cost, % of net sales	15 %	16 %	14 %	15 %
Number of employees on average during the period	203	134	161	114
Number of employees at the end of the period	210	141	194	125
Number of shares (on average during period, excluding treasury shares)	6 375 982	6 226 023	6 282 167	6 136 005
Number of shares at the end of the period (excluding treasury shares)	6 381 292	6 231 440	6 372 157	6 219 469

<sup>17</sup> 1 Excludes following costs related to inorganic activities: 0.0 million euros in 4-6/2023, 0.1 million euro in 1-6/2023, 0.2 million euro in 1-6/2022 and 0.5 million euro in 2022.

#### 4. CALCULATION OF KEY FIGURES

Key figure	Definition
SaaS	Revenue from subscription-based software licenses sold as a service, including revenue from enhanced support and service level packages
Licenses	Revenue from the sales of perpetual licenses
Maintenance	Revenue from maintenance fees for the perpetual licenses
Services	Revenue from professional services
Recurring revenue	Revenue from SaaS and Maintenance
SaaS MRR or MRR	Monthly recurring revenue from SaaS at the end of the period
Lifetime Value (LTV)	SaaS MRR orders of new customers divided by gross churn multiplied by recurring gross margin divided by number of new customers, calculated on a rolling 12 months' basis
Customer Acquisition Cost (CAC)	Sales and marketing costs multiplied by 0.7 divided by number of new customers, calculated on a rolling 12 months' basis. The multiplier 0.7 reflects the fact that some of sales & marketing cost goes towards serving existing customers.
Recurring Gross Margin	The total cost of support, cloud infrastructure, cloud operations, 3rd party licenses and enhanced service level packages subtracted from our total recurring revenue and dividing the outcome by total recurring revenue, calculated on a rolling 12 months' basis
Net retention rate	$100\% \times (\text{MRR beginning of period} + \text{MRR expansion} - \text{Gross Churn}) / \text{MRR beginning of period}$
Gross churn	$100\% \times (\text{Beginning of period MRR from customers lost during period}) / (\text{MRR beginning of period})$

Efecte Oyj  
1509667-4

Säterinkatu 6  
02600 Espoo

# **Efecte Oyj**

## **REPORT OF THE BOARD OF DIRECTORS AND FINANCIAL STATEMENTS**

### **1.1.2022-31.12.2022**

<b>Table of contents</b>	<b>page</b>
Report of the board of directors	1-8
Income statement, group	9
Balance sheet, group	10-11
Cash flow statement, group	12
Key figures, group	13
Income statement, parent company	14
Balance sheet, parent company	15-16
Cash flow statement, parent company	17
Notes, group and parent company	18-26
Signatures	27
Auditor's note	27
List of accounting books and journal types	28
Formulas for financial ratios	29

Efecte Oyj  
1509667-4

## REPORT OF THE BOARD OF DIRECTORS

### EFFECTE-GROUP IN BRIEF

Efecte is a Finnish software company that helps service organizations digitize and automate their work. Efecte's solutions allow our customers to flexibly manage all internal and external services in the organization, such as IT, human resources or finance services and customer service, as well as access rights. Efecte is one of the industry's leading software suppliers for medium-sized and public organizations in Finland and in the Nordic countries. Efecte has also become a competitive supplier in Germany. The company was founded in 1998 and is listed on the Nasdaq First North Growth Market Finland. Efecte operates throughout Europe and has offices in Finland, Sweden, Germany, Poland and Spain.

Efecte's business is based on the company's own software products and related services. Software products delivered primarily as a cloud service form the core of the company's business. Services that support software include, for example, implementation projects, integration work, training and the continuous development of customer environments.

### NET SALES AND PROFIT

Net sales by type

Net sales, 1000 EUR	10-12/2022	10-12/2021	7-12/2022	7-12/2021	2022	2021
SaaS	3 734	2 930	7 318	5 692	13 760	10 886
Licenses	33	27	33	37	48	44
Maintenance	219	254	442	509	901	1 014
Services	1 924	1 640	3 458	2 841	6 899	5 820
<b>Group total</b>	<b>5 910</b>	<b>4 853</b>	<b>11 251</b>	<b>9 078</b>	<b>21 607</b>	<b>17 764</b>

Efecte's net sales in 1-12/2022 were 21.6 million euro (17.8), a growth of 22%. Net sales for customers outside Finland were 5.3 million euro (4.4), corresponding to 25% of total net sales (25%).

Software as a Service (SaaS) grew 26% and services net sales increased by 19%. Net sales of perpetual licenses continued to be insignificant in line with our strategy. Net sales generated by maintenance related to perpetual licenses continued its declining trend. Our total recurring revenue (SaaS and maintenance) amounted to 14.7 million euro (11.9), corresponding to approximately 68% of net sales (67%).

SaaS MRR was 1 270 thousand euro in the end of December, growing 28% year-over-year. Of that growth, 14 percentage points came from existing customers (net retention rate 114%) and 14 percentage points from new customers since 12/2021 and from customers of acquired InteliWISE. Gross churn amounted to 2.3% (4.7%) and our recurring gross margin at the end of December was 80% (81%).

During the review period, we started selling enhanced support packages that include improved support services for our solutions. The revenue from the support packages is included in our SaaS revenue. At the end of the period, the total SaaS MRR attributable to such enhanced support packages was 3 thousand euro.

Our average customer acquisition cost (CAC) on a rolling 12-month basis was 98 thousand euro (82), and the average life-time value (LTV) of an acquired new customer was 994 thousand euro (678). Accordingly, the LTV/CAC ratio was 10.2 (8.3). This means that the cost of customer acquisition is earned 10.2 times during the lifetime of the customer. Net retention, churn, recurring gross margin, CAC and LTV were calculated based on Efecte numbers excluding InteliWISE.

Services net sales development was strong due to several significant new Efecte deployments, especially in the public sector, existing customers expanding the usage of Efecte, and the InteliWISE acquisition. Our strategy is to focus on growing our SaaS business and the services business is there to support adoption with the help of our partner network. SaaS formed already 64% of total net sales (61%).

Efecte Oyj  
1509667-4

EBITDA was -0.0 million euro (0.9) and operating profit was -0.9 million euro (0.4). Profitability was affected by go-to-market and R&D investments.

Adjusted EBITDA was 0.5 million euro (0.9). Adjusted EBITDA is calculated from EBITDA by deducting the costs affecting comparability. During the review period these items included costs related to inorganic activities amounting to 0.5 million euros.

Income tax expenses were 0.6 million euro (-0.0) positive due to the recognition of deferred tax assets from unused tax losses in Finnish taxation. Total confirmed losses from years 2013-2020 are 3.1 million euros for Efecte Finland Oy and 3.5 million euros for Efecte Oyj. Total tax impact of 20% is 1.3 million euros of which 0.7 million euros were capitalized during the review period. Taxes corresponding to the profit of the period have been entered as tax expense. Efecte has confirmed tax losses in the taxation for Finland, so there was no income tax expense in Finland.

Net profit for the period was -0.3 million euro (0.4).

## **FINANCE AND INVESTMENTS**

At the end of the review period, the balance sheet for Efecte group totaled 15.4 million euro (10.5). Equity ratio was 39% (46%) and net gearing was -28% (-197%).

At the end of the review period, the Company's financial loans were 1.9 million euro (0). The company's cash and liquid assets were 3.1 million euro (6.5).

Cash flow from operating activities for the reported period was 0.5 million euro (0.8) and cash flow from investing activities was -7.2 million euro (-0.6). The cash impact of increased investments was mainly attributable to the acquisition of InteliWISE. Investments in tangible and intangible assets were 1.4 million euro (0.6) and were mainly activated R&D expenses. Cash flow from financing activities was 3.3 million euro (0.9). Cash flow from financing activities consisted of a bank loan to finance the acquisition of InteliWISE, share subscriptions by key individuals of InteliWISE agreed as part of their compensation for the transaction, as well as subscriptions relating to stock options.

## **BUSINESS DEVELOPMENTS**

During the review period we took further steps to becoming the Leading European Alternative in our space. Our teams focused on helping our customers to digitalize and automate their business processes across IT Service Management (ITSM) and Enterprise Service Management (ESM), Identity Governance and Administration (IGA) and Conversational AI.

We were able to grow SaaS by 26%, supported by strong demand from both existing and new customers. On a rolling 12-month basis, existing customers accounted for 14 percentage points of the SaaS MRR growth. We helped our customers to expand the usage of Efecte in ITSM and also for ESM use cases such as HR, finance, and customer service while also adding Conversational AI capabilities. Several existing customers also expanded their Efecte usage with our IGA solution. We signed 40 new customers during 2022, of which 21 through partners. Through the former InteliWISE business, we signed additionally 9 new customers during Q4.

Our professional services business performed also well and grew by 19%. Main drivers were demand in new customers, expansion opportunities in existing customers and for a smaller part the InteliWISE acquisition. The latter part of the review period our teams worked very closely with our partners to implement Efecte ITSM/ESM and IGA solutions for the new wellbeing services counties in Finland. Efecte solutions have supported the new wellbeing service counties to smoothly onboard new employees and manage their IT landscape effectively. Significant go-lives during the year included also the Social Insurance Institution of Finland (Kela), who went successfully to production during Q4. Overall, professional services play an important role in helping customers adopt Efecte and later expand their use. They also help drive customer satisfaction and reduce churn.

During the review period, we added Poland (through the acquisition of InteliWISE) and Spain as new direct markets in addition to our traditional main markets of Finland, Scandinavia and DACH. In Spain, we hired our first employee and established a subsidiary during H2. We have been accelerating our go-to-market efforts in Spain and see good early demand for our solutions. We saw growth in most of the regions and continued building a go-to-market in new markets

Efecte Oyj  
1509667-4

through expanding our partner network. While we continued seeing some slowness in customer decision making across our markets, we were happy to see solid sales in Poland, including the 9 new customers during Q4. In Scandinavia, we made changes in Q3 and focused in Q4 on executing the new growth plan. In New Markets, we shifted focus from recruiting new partners towards sales enablement of our existing partner network. New Markets turned already into a meaningful contributor to new orders received during the year.

We executed our first acquisition as a listed company (InteliWISE) during the review period. The integration of InteliWISE operations has progressed according to plan and we have closed first customers with the integrated Efecte Chat for Service Management product. We also continued to develop our M&A pipeline of potential targets. We are looking for potential add-on technologies that can be integrated into our SaaS offering as well as inorganic opportunities for strengthening our presence in selected geographies and market segments. We think about this long-term and will continue to have a high standard for any potential transaction.

## EMPLOYEES

The number of full-time equivalent employees (FTE) at the end of the review period was 194 (125). Of these, 125 (105) were in Finland, 44 (0) in Poland, 19 (13) in Germany, 6 (7) in Sweden and 1 (0) in Spain. Our central team in Finland acts globally supporting customers, partners and sales in international markets and includes the FTEs responsible for our new markets operation. The average number of FTEs during Q4 was 193 (122) and during 2022 it was 161 (114).

During the review period, we welcomed 44 new Efectians through the acquisition of InteliWISE. We focused a lot on people and culture in the process and are proud that we were able to maintain high employee satisfaction and attrition below 10% despite the integration. We continued also quality recruitment in all our countries, while slowing down the pace of recruitment during the second half of the year as planned. We also built a pipeline of junior talent via our summer trainee program. Our strong culture feels like a differentiator when attracting new talent, engaging with customers, and developing our people.

At the end of the review period, the following people formed Efecte's leadership team: Niilo Fredrikson (CEO), Taru Mäkinen (CFO), Niina Hovi (people and culture), Steffan Schumacher (sales, marketing and services), Topias Marttila (technology) and Santeri Jussila (products). After the review period, Marcin Strzalkowski was appointed as a member of the leadership team, responsible for marketing and the operations in Poland.

## MARKET OUTLOOK

We expect the market opportunity in our main offerings Service Management, IGA and Conversational AI continue to grow as organizations continue to embracing the megatrends of digitalization and servitization (everything as a service). Despite the current macroeconomic uncertainty and recession fears, companies across industries continue to look for cloud-based solutions to digitalize and automate their operations to provide greater agility to the business, improve end-user experiences, and to save costs.

The move from on-premises software to cloud will also continue. While cloud adoption in the Nordics has reached 70%, cloud adoption in the rest of Europe is still only around 40%. Service management solutions are extremely sticky, with replacement cycles often being five years or longer.

Our estimate of the total current cloud ITSM and ESM market size in Europe is 1.2 billion euro, the IGA market 1.3 billion euro and the Conversational AI market 1.4 billion euro. Analysts estimates for compound annual growth for the next three years have come slightly down but are still generally over 15% for all these markets. Especially in service management, the market is today being divided by a few strong global players and a larger number of smaller local vendors.

We continue to see many European customers prioritize privacy, security and data location. This has been particularly visible in public sector decisions to move away from global cloud platforms. We have a significant opportunity to serve those customers with our competitive product and cloud deployment models that address European customers' concerns about privacy, security and data location.

Although some customers' decision making has become slower, our offering can also attract new demand in uncertain times. Our tools help customers to operate more efficiently and save costs – both on top of many customers' agendas



Efecte Oyj  
1509667-4

at the moment. And while inflation is certainly a concern, we are generally well positioned to address it as most of our agreements allow us to raise prices to cover increased costs.

We are confident about our position in the market, but accelerating inflation, competitive pressures and disruptive technologies such as Chat GPT and other generative models mean that we must stay vigilant and execute our strategy solidly to succeed.

## RESEARCH AND DEVELOPMENT

During the review period, we continued to systematically develop our three main offerings: Service Management (including IT and Enterprise Service Management), Identity Governance & Administration (IGA) and Conversational AI.

In Service Management, our main focus was on user experience modernization. We released the first generally available (GA) version of our next generation self-service product. The product was extensively piloted during the year and received positive feedback from pilot customers. We also started modernization of our agent user interface by releasing the first updated parts and introduced net-new user interfaces such as the Gantt view for enhanced project management.

Our IGA offering took significant steps forward guided by our vision to make identity management easy. We released the IGA Growth and IGA Enterprise product offerings – complementing the IGA Starter package that was released the year before. Our approach of providing IGA use cases in productized packages lowers the threshold for midmarket companies to get started with identity management and was well received in the marketplace. We got several new customers during the year, more than doubling the number of IGA customers.

With the acquisition of IntelliWISE, we added Conversational AI including AI Chat Bots and AI Voice Bots as the third pillar of our portfolio. We also launched the first integrated product based on IntelliWISE technology, Efecte Chat for Service Management. It is available for our service management customers and seamlessly integrates into Efecte platform. Efecte Chat was released in record time during Q4 and has already been deployed to the first customers.

We also continued to strengthen our common agile platform stack, a key underlying element of our product strategy. We expanded our integration with the always important Microsoft ecosystem by releasing Microsoft Teams Bot for Efecte and plug-and-play dashboards on Microsoft PowerBI. We launched partnerships and integrated solutions with multiple technology partners: with Device 42 to provide our customers with enterprise-grade IT asset discovery solutions and Signicat to provide strong authentication capabilities. We also piloted a new continuous deployment (CD) process with the first customers and released hundreds of smaller improvements and fixes to our platform.

We have been closely following the recent developments around generative language models like GPT-3. We see an opportunity to increase automation in service management while also improving user experience. With our conversational AI team and technology, we have an existing platform where to explore and test the new technology, including how to still honor data privacy and security.

Efecte's total research and development investment during the review period was 4.4 million euro (3.1). Research and development costs amounted to 3.1 million euro (2.6). In addition, 1.3 million euro (0.5) was capitalized, and 0.0 million euro (0.0) was covered through public fundin (all amounts excluding IntelliWISE).

Research and development actions are mainly performed in Efecte Finland Oy and after the acquisition in 2022, also in IntelliWISE S.A and its subsidiaries in Poland. In addition to our own personnel, subcontractors were used to increase flexibility and cost efficiency.

Efecte Oyj  
1509667-4

Group's research and development investment level in 2020-2022 (all amounts excluding InteliWISE):

	2022	2021	2020
Research and development investment (million euro)	4.4	3.1	2.7
Research and development investment (% of net sales)	21%	18%	18%

## ANNUAL GENERAL MEETING AND GOVERNANCE

The Annual General Meeting held on 17 March 2022 adopted the financial statements for 1 January - 31 December 2021 and discharged the members of the Board of Directors and the CEO from liability. The Annual General Meeting decided that no dividend is distributed for the year 2021.

The Annual General Meeting decided that the annual remuneration for the Chairman of the Board is EUR 45,000 and for the other members of the Board of Directors EUR 25,000 each. Approximately 40% of the remuneration was paid in Efecte Plc's shares and approximately 60% in cash.

Esther Donatz, Pertti Ervi, Turkka Keskinen and Päivi Rekonen were re-elected as members of the Board of Directors, and Eric Gustavsson was elected as a new member of the Board of Directors. The organizational meeting of the Board of Directors elected Pertti Ervi as the Chairman of the Board of Directors.

Ernst & Young Oy was elected as the auditor, with Juha Hilmola as the auditor in charge.

## SHARES AND TRADING

The company has one share series, and all shares carry equal rights. At the end of the review period, Efecte Plc's share capital consisted of 6 383 590 shares. The company owned 11 433 treasury shares, approx. 0.2% of the total amount of the shares.

The company's share has been trading on the Nasdaq First North Growth Market Finland marketplace. During the review period the highest share price was 15.35 euro, the lowest price 7.6 euro and the closing price 10.15 euro. The market value of shares was 64.7 million euro at the end of the period excluding the treasury shares.

## SHAREHOLDERS

The company had a total of 2 657 owners on 31 December 2022 (2 696). The list of the largest owners and the distribution of shareholders can be found on the company's web site.

10 largest shareholders as of 31 December 2022:

	Shareholder	Shares	%
1	First Fellow Oy	810 499	12.70
2	Sijoitusrahasto Aktia Nordic Micro Cap	469 269	7.35
3	Oy Fincorp Ab	444 928	6.97
4	Keskinäinen Eläkevakuutusyhtiö Ilmarinen	290 909	4.56
5	Montonen Markku August	210 571	3.30
6	Op-Suomi Mikroyhtiöt -Erikoissijoitusrahasto	202 834	3.18
7	Nordea Nordic Small Cap Fund	116 662	1.83
8	Ervi Pertti	89 934	1.41
9	Säästöpankki Pienyhtiöt	80 000	1.25
10	Urpalainen Jörgen Mikael	76 366	1.20

Efecte Oyj  
1509667-4

The ownership of the Board members, CEO and their controlled entities totaled approximately 2.4% at the end of the review period. Additionally, the options held by the CEO entitle him to subscribe shares representing approximately 1.6% of the outstanding shares.

The total proportion of nominee registered shares was approximately 28.1% of all shares.

## **THE AUTHORIZATIONS GIVEN TO THE BOARD OF DIRECTORS**

The Annual General Meeting held on 17 March 2022 authorized the Board of Directors to decide to acquire the company's own shares with distributable funds. A maximum of 450 000 shares may be acquired. The authorization is effective until the next Annual General Meeting, however, at the latest until 30 June 2023.

The Annual General Meeting held on 17 March 2022 authorized the Board of Directors to issue a maximum of 620 000 shares through a share issue and/or by issuing option rights or other special rights entitling to shares referred to in Chapter 10 Section 1 of the Limited Liability Companies Act. The Board may decide to issue new shares or shares held by the company. The authorization includes the right to issue shares and option rights and/or other special rights entitling to the shares through private offering, in other words, to deviate from the shareholders' pre-emptive right subject to the requirements set forth in the Limited Liability Companies Act. In addition, the authorization includes a right to issue shares and option rights and/or other special rights entitling to shares with or without payment. Under the authorization, the Board of Directors will be entitled to decide on the terms and conditions of any share issue and the issuance of option rights and other special rights entitling to shares, including the recipients and the remuneration to be paid. The authorization is effective until the next Annual General Meeting, however, at the latest until 30 June 2023.

## **OPTION PROGRAMS**

### **Option program 2018**

Option program 2018 consists of 450 000 options that entitle the holders to subscribe one share per option.

The options are divided into three series: A, B and C series. Series A consists of 170 000 options (of which 163 750 allocated and all of which subscribed) with subscription price of 5.75 euro/share and subscription period of 2 May 2021 - 31 May 2022; series B of 140 000 options (of which 134 325 allocated and 23 916 subscribed) with subscription price of 5.00 euro and subscription period of 2 May 2022 - 31 May 2024; and C series of 140 000 options (of which 140 000 allocated) with subscription price of 4.39 euro and subscription period of 2 May 2023 - 31 May 2025.

In connection with the 2018 option program, the Board of Directors has set a share-ownership requirement for the participants.

The subscription period for series B and series C of option program 2018 were extended by 12 months during the review period to make the subscription period equally long as in the option program 2021 and to extend the commitment effect.

### **Option program 2021**

Option program 2021 consists of 450 000 options that entitle the holders to subscribe one share per option.

The options are divided to three series: A series of 150 000 options (of which 146 350 allocated) with subscription price of 15.55 eur/share and subscription period of 2.5.2024 - 31.5.2026; B series of 150 000 options with subscription price EUR 11.23 and subscription period of 2.5.2025 - 31.5.2027; and C series of 150 000 options (of which 135 855 allocated) with subscription price of 20-day volume weighted average price after Q1/2023 results and subscription period of 2.5.2025 - 31.5.2027. A series options were allocated in 2021, B series in 2022 and C series is intended to be allocated in 2023.

In connection with the 2021 option program, the Board of Directors has set a share-ownership requirement for the participants.

## EVENTS AFTER PERIOD-END

On 26 January 2023, Efecte announced its intention to launch an Employee Share Savings Plan (ESSP), subject to final Board approval in H1/2023.

In February, Efecte announced the appointment of Marcin Strzalkowski as the Chief Marketing Officer, Country Manager Poland and a member of the leadership team of the company.

## ASSESSMENT OF RISKS AND UNCERTAINTIES

Efecte manages the risks and uncertainties facing its operations and all material risks are reviewed quarterly in the leadership team and at least annually with the Board of Directors. The key risks identified include:

- Risks to data security such as non-intentional or intentional data breaches, including software vulnerabilities, phishing and ransomware attacks may cause reimbursement liabilities to customers or other third parties as well as financial losses or significant reputational harm.
- Malfunctioning of the software or failures in operating the company's own services or the outsourced computing capacity and network connections may cause disruptions in services that may lead to reimbursement liabilities, reputational harm and to a decrease in customer satisfaction. This could lead to decreases in net sales and profitability.
- The rate of inflation increased substantially during 2022 compared to previous years. While most of our customer agreements allow Efecte to increase pricing, some customer agreements especially in the public sector limit our pricing power. Inflation and higher interest rates may also limit our capacity to acquire funding for M&A or other growth investments on terms favorable to Efecte.
- Competition for skillful personnel in the IT sector continues to be tight. If the company is unable to recruit and retain employees, the quality of its products and services may decrease, which can decrease revenue and profitability. Part of the research and development and service delivery are provided through subcontractors. If the operations of the subcontractors are disrupted, the effect is equivalent to lack of skilled personnel.
- Uncertainties in the macroeconomic environment, including an increase in the energy costs, supply chain issues, and slowdown in cross-border trade could result in a prolonged recession in Efecte's key markets. A recession could slow down customer decision making and reduce customer demand.
- The company is pursuing mergers and acquisitions (M&A) as part of its strategy and concluded its first acquisition as a listed company by acquiring InteliWISE in 2022. Risks relating to M&A include failure in the integration of the acquired business, failure to retain key personnel, failing to meet forecasted financial performance as well as claims, disputes and litigation relating to the transaction.
- The company configures its products to operate with the customer's existing systems. Delays or unexpected warranty work related to customer projects may create costs and liabilities. Although most of the projects are time and materials based, there are also fixed price projects. Potential customer dissatisfaction could result in compensation claims, negative publicity, and loss of future business.
- Investments in international growth such as forward-looking recruitments and ongoing investments in the partner program increase fixed costs. The costs may decrease profitability, if achieving growth turns out to be harder or slower than expected.
- Risks relating to intellectual property rights (IPRs) such as the loss/leaking of own IPRs to others, and breaches of third-party IPR by Efecte are material for Efecte. Efecte seeks to minimize the risk with strict control of customer agreements and with careful evaluation of third-party software components taken into use.
- Efecte has entered into agreements with its customers concerning the processing of personal data. A failure to comply with contractual obligations in these agreements, or the requirements of the General Data Protection Regulation more broadly, may lead to significant liabilities or reputational harm.

Efecte Oyj  
1509667-4

- Efecte operates in several jurisdictions and has customers and other business partners also in additional jurisdictions outside these. Exposure to different legal and tax frameworks heighten the risk of perceived or real non-compliance.
- The company's equity stands at a sufficient level if the profitability development continues the planned trajectory. If changes in the operating environment or other factors would weaken the company's profitability, the company may have to strengthen its equity on terms that are not favorable to the company.

## **PROFIT DISTRIBUTION PROPOSAL**

The net profit of the parent company was -875 701.41 euro for the period and the distributable equity of the parent company was 8 658 186.04 euro. The Board of Directors proposes that no dividend is distributed from the financial period of 2022 and the profit is left in equity.

According to its strategy, Efecte will invest substantially in growth in the next few years, due to which the company does not aim to pay dividends for the foreseeable future.

## **LONG-TERM FINANCIAL TARGETS**

By 2025, grow organically to 35 MEUR total net sales, maintain an average SaaS growth of over 20% and reach a double-digit EBITDA margin.

Through organic growth and acquisitions, become eventually the largest European service management vendor with total net sales over 100 MEUR and EBITDA margin exceeding 25 %.

## **GUIDANCE FOR THE YEAR 2023**

SaaS net sales is expected to grow over 20% and adjusted EBITDA to be positive.

Efecte Oyj  
1509667-4

### ***Income statement, group***

	<b>1.1.-31.12.2022</b>	<b>1.1.-31.12.2021</b>
<b>NET SALES</b>	<b>21 607 376.32</b>	<b>17 764 451.93</b>
Other operating income	115 362.56	50 107.17
Materials and services		
Materials and supplies		
Purchases during the financial year	-765 234.33	-576 891.11
External services	-1 574 051.44	-1 255 430.76
	-2 339 285.77	-1 832 321.87
Personnel expenses		
Wages and salaries	-11 269 262.70	-9 167 881.79
Social security expenses		
Pension expenses	-1 800 466.41	-1 396 229.51
Other social security expenses	-627 604.81	-542 539.84
	-13 697 333.92	-11 106 651.14
Depreciation and amortization		
Depreciation and amortization according to plan	-567 846.01	-484 890.68
Goodwill amortization	-283 088.68	-18 842.88
	-850 934.69	-503 733.56
Other operating expenses	-5 698 928.74	-3 940 475.54
<b>OPERATING PROFIT (LOSS)</b>	<b>-863 744.24</b>	<b>431 376.99</b>
Financial income and expenses		
Interest income and other financial income		
From others	553.51	14.05
Interest expenses and other financial expenses		
To others	-71 945.55	-9 112.82
	-71 392.05	-9 098.77
<b>PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES</b>	<b>-935 136.28</b>	<b>422 278.22</b>
Income taxes		
Income taxes for the financial year	-12 315.76	-10 614.35
Deferred taxes	658 155.85	0.00
	645 840.09	
Minority	2 157.88	0.00
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>-287 138.31</b>	<b>411 663.87</b>

Efecte Oyj  
1509667-4

### ***Balance sheet, group***

	<b>31.12.2022</b>	<b>31.12.2021</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Intangible assets		
Development expenses	2 058 539.57	1 211 757.24
Intangible rights	102 051.62	155 607.65
Goodwill	0.00	4 710.73
Consolidated goodwill	5 403 732.59	0.00
Other long-term expenses	5 013.42	9 024.15
	<b>7 569 337.20</b>	<b>1 381 099.77</b>
Tangible assets		
Machinery and equipment	125 215.03	106 086.06
<b>TOTAL NON-CURRENT ASSETS</b>	<b>7 694 552.22</b>	<b>1 487 185.83</b>
<b>CURRENT ASSETS</b>		
Long-term receivables		
Deferred tax assets	658 155.85	0.00
Other receivables	117 586.82	51 566.28
	<b>775 742.67</b>	<b>51 566.28</b>
Short-term receivables		
Trade receivables	3 355 186.58	2 196 289.00
Other receivables	130 697.57	8 393.23
Prepayments and accrued income	343 693.17	290 371.67
	<b>3 829 577.31</b>	<b>2 495 053.90</b>
Financial securities		
Other investments	534.10	0.00
Cash and cash equivalents	3 080 054.57	6 507 521.95
<b>TOTAL CURRENT ASSETS</b>	<b>7 685 908.66</b>	<b>9 054 142.13</b>
<b>TOTAL ASSETS</b>	<b>15 380 460.88</b>	<b>10 541 327.96</b>

Efecte Oyj  
1509667-4

### ***Balance sheet, group***

	<b>31.12.2022</b>	<b>31.12.2021</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	80 000.00	80 000.00
Share issue	5 000.00	23 000.00
Other reserves		
Reserve of invested non-restricted equity	13 211 117.15	11 778 560.03
Retained earnings	-8 611 782.09	-8 984 744.71
Profit (loss) for the period	-287 138.31	411 663.87
<b>TOTAL EQUITY</b>	<b>4 397 196.74</b>	<b>3 308 479.19</b>
<b>LIABILITIES</b>		
Non-current liabilities		
Financial loans	1 571 428.58	0.00
Other payables	918.65	0.00
	<u>1 572 347.23</u>	<u>0.00</u>
Current liabilities		
Financial loans	290 088.70	0.00
Advances received	4 005 012.71	3 309 586.69
Trade payables	1 023 409.13	467 804.37
Other payables	1 069 266.77	819 262.88
Accruals	3 023 139.60	2 636 194.83
	<u>9 410 916.91</u>	<u>7 232 848.77</u>
<b>TOTAL LIABILITIES</b>	<b>10 983 264.14</b>	<b>7 232 848.77</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>15 380 460.88</u></b>	<b><u>10 541 327.96</u></b>



Efecte Oyj  
1509667-4

### **Cash flow statement, group**

	<b>1.1.-31.12.2022</b>	<b>1.1.-31.12.2021</b>
<b>Cash flow from operating activities:</b>		
Profit (loss) before appropriations and taxes	-935 136.28	422 278.22
Adjustments:		
Depreciation and amortization	850 934.69	503 733.56
Financial income and expenses	71 392.05	9 098.77
Other adjustments	0.00	-8 370.69
Cash flow before changes in working capital	-12 809.55	926 739.86
Changes in working capital:		
Increase / decrease in trade and other receivables	-1 155 222.34	-609 188.46
Increase / decrease in inventories	0.00	0.00
Increase / decrease in trade and other payables	1 798 438.15	520 074.26
Cash flow from operating activities before financial items and taxes	630 406.26	837 625.65
Interest and other financial cost paid	-71 945.55	-7 445.30
Interest received	553.51	14.05
Income taxes paid	-12 315.76	-10 614.35
<b>Cash flow from operating activities</b>	<b>546 698.46</b>	<b>817 912.53</b>
<b>Cash flow from investing activities:</b>		
Investments to tangible and intangible assets	-1 367 495.89	-607 598.24
Proceeds from short-term investments	-5 880 277.66	0.00
<b>Cash flow from investing activities</b>	<b>-7 247 773.55</b>	<b>-607 598.24</b>
<b>Cash flow from financing activities:</b>		
Share issue	1 414 557.12	906 342.50
Withdrawal of non-current financial loans	2 000 000.00	0.00
Repayment of non-current financial loans	-140 949.41	0.00
<b>Cash flow from financing activities</b>	<b>3 273 607.71</b>	<b>906 342.50</b>
<b>Change in cash and cash equivalents, increase (+) / decrease (-)</b>	<b>-3 427 467.38</b>	<b>1 116 656.79</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>	<b>6 507 521.95</b>	<b>5 390 865.16</b>
<b>Cash and cash equivalents at the end of the financial year</b>	<b>3 080 054.57</b>	<b>6 507 521.95</b>
<b>Change in cash and cash equivalents</b>	<b>-3 427 467.38</b>	<b>1 116 656.79</b>

Efecte Oyj  
1509667-4

## Key figures, group

1000 eur	2022	2021	2020	2019
Net sales	21 607	17 764	14 888	13 839
SaaS	13 760	10 886	8 806	7 094
Licenses	48	44	93	185
Maintenance	901	1 014	1 010	1 287
Services	6 899	5 820	4 980	5 272
Domestic net sales	16 275	13 365	11 314	11 275
International net sales	5 332	4 339	3 574	2 564
Domestic net sales (% of net sales)	75 %	75 %	76 %	81 %
International net sales (% net sales)	25 %	24 %	24 %	19 %
Recurring revenue	14 661	11 900	9 815	8 381
Recurring revenue, (% of net sales)	68 %	67 %	66 %	61 %
SaaS MRR, monthly net sales at the end of the period	1 270	992	808	640
Net sales growth %	21.6 %	19.3 %	7.6 %	13.2 %
EBITDA	-13	935	126	-998
EBITDA %	-0.1 %	5.3 %	0.8 %	-7.2 %
EBITA	-581	450	-314	-1 377
EBITA %	-2.7 %	2.5 %	-2.1 %	-9.9 %
Operating profit (EBIT)	-864	431	-332	-1 396
Operating profit (EBIT) %	-4.0 %	2.4 %	-2.2 %	-10.1 %
Profit for the period	-287	412	-368	-1 373
Earnings/share (EPS), eur	-0.05	0.07	-0.06	-0.23
Equity/share, eur	0.69	0.53	0.33	0.37
Balance sheet total	15 380	10 541	8 712	7 464
Equity	4 397	3 308	1 999	2 165
Net debt	-1 219	-6 508	-5 391	-3 447
Return on invested capital (ROI) %	-4.5 %	16 %	-16 %	-49 %
Equity ratio %	38.7 %	46 %	35 %	42 %
Net gearing %	-28 %	-197 %	-270 %	-159 %
Research and development cost	3 128	2 630	2 203	2 039
Research and development cost, % of net sales	14.5 %	15 %	15 %	15 %
Number of employees on average during the period	161	114	103	106
Number of employees at the end of the period	194	125	105	107
Number of shares (on average during the period)	6 282 167	6 136 005	5 955 842	5 864 987
Number of shares at the end of the period	6 372 157	6 219 469	5 987 901	5 921 375

Efecte Oyj  
1509667-4

***Income statement, parent company***

	<b>1.1.-31.12.2022</b>	<b>1.1.-31.12.2021</b>
<b>NET SALES</b>	<b>3 034 646.00</b>	<b>2 713 512.00</b>
Personnel expenses		
Wages and salaries	-1 669 128.85	-1 630 484.01
Social security expenses		
Pension expenses	-294 373.10	-274 902.07
Other social security expenses	-32 915.84	-41 141.52
	<u>-1 996 417.79</u>	<u>-1 946 527.60</u>
Depreciation and amortization		
Depreciation and amortization according to plan	-57 867.45	-56 864.77
Other operating expenses	-2 096 387.16	-1 592 621.21
<b>OPERATING PROFIT (LOSS)</b>	<b>-1 116 026.40</b>	<b>-882 501.58</b>
Financial income and expenses		
Interest income and other financial income		
From group companies	1 730.75	0.00
Interest expenses and other financial expenses		
To group companies	-67 350.03	0.00
To other	-44 055.73	-7 056.00
	<u>-109 675.01</u>	<u>0.00</u>
<b>PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES</b>	<b>-1 225 701.41</b>	<b>-889 557.58</b>
Appropriations		
Group contributions, received	350 000.00	1 000 000.00
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b><u>-875 701.41</u></b>	<b><u>110 442.42</u></b>

Efecte Oyj  
1509667-4

***Balance sheet, parent company***

	<b>31.12.2022</b>	<b>31.12.2021</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Intangible assets		
Intangible rights	101 570.93	155 427.65
Other long-term expenses	<u>5 013.42</u>	<u>9 024.15</u>
	106 584.35	164 451.80
Investments		
Holdings in group companies	8 241 004.70	2 254 042.44
Receivables from group companies	<u>4 450 000.00</u>	<u>4 450 000.00</u>
	12 691 004.70	6 704 042.44
<b>TOTAL NON-CURRENT ASSETS</b>	<b>12 797 589.05</b>	<b>6 868 494.24</b>
<b>CURRENT ASSETS</b>		
Long-term receivables		
Receivables from group companies	142 000.00	0.00
Other receivables	<u>61 844.25</u>	<u>39 118.28</u>
	203 844.25	39 118.28
Short-term receivables		
Receivables from group companies	608 005.19	1 205 049.98
Other receivables	3 172.58	0.00
Prepayments and accrued income	<u>138 554.02</u>	<u>122 010.58</u>
	749 731.79	1 327 060.56
Cash and cash equivalents	379 279.57	851 863.58
<b>TOTAL CURRENT ASSETS</b>	<b>1 332 855.61</b>	<b>2 218 042.42</b>
<b>TOTAL ASSETS</b>	<b><u>14 130 444.66</u></b>	<b><u>9 086 536.66</u></b>

Efecte Oyj  
1509667-4

***Balance sheet, parent company***

	<b>31.12.2022</b>	<b>31.12.2021</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	80 000.00	80 000.00
Share issue	5 000.00	23 000.00
Other reserves		
Reserve of invested non-restricted equity	13 211 117.15	11 778 560.03
Retained earnings	-3 682 229.70	-3 792 672.12
Profit (loss) for the period	-875 701.41	110 442.42
<b>TOTAL EQUITY</b>	<b>8 738 186.04</b>	<b>8 199 330.33</b>
<b>LIABILITIES</b>		
Non-current liabilities		
Financial loans	1 571 428.58	0.00
Payables to group companies	2 550 000.00	0.00
	4 121 428.58	0.00
Current liabilities		
Financial loans	287 622.01	0.00
Trade payables	206 530.40	155 914.74
Payables to group companies	16 172.96	0.00
Other payables	93 738.18	83 535.10
Accruals	666 766.49	647 756.49
	1 270 830.04	887 206.33
<b>TOTAL LIABILITIES</b>	<b>5 392 258.62</b>	<b>887 206.33</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>14 130 444.66</b>	<b>9 086 536.66</b>

Efecte Oyj  
1509667-4

### ***Cash flow statement, parent company***

	<b>1.1.-31.12.2022</b>	<b>1.1.-31.12.2021</b>
<b>Cash flow from operating activities:</b>		
Profit (loss) before appropriations and taxes	-1 225 701.41	-889 557.58
Adjustments:		
Depreciation and amortization	57 867.45	56 864.77
Financial income and expenses	109 675.01	7 056.00
Cash flow before changes in working capital	-1 058 158.95	-825 636.81
Changes in working capital:		
Increase/decrease in trade and other receivables	-95 397.20	312 897.55
Increase/decrease in trade and other payables	79 828.74	79 270.49
Cash flow from operating activities before financial items and taxes	-1 073 727.41	-433 468.77
Interest and other financial cost paid	-95 232.80	-7 056.00
Interest and other financial income received	1 730.75	0.00
<b>Cash flow from operating activities</b>	<b>-1 167 229.46</b>	<b>-440 524.77</b>
<b>Cash flow from investing activities:</b>		
Investments to tangible and intangible assets	0.00	-12 032.20
Investments to group companies	-5 986 962.26	0.00
Loans to group companies	-142 000.00	0.00
<b>Cash flow from investing activities</b>	<b>-6 128 962.26</b>	<b>-12 032.20</b>
<b>Cash flow from financing activities:</b>		
Share issue	1 414 557.12	906 342.50
Non-current loans, increase	2 000 000.00	0.00
Non-current loans, decrease	-140 949.41	0.00
Non.current internal loans	2 550 000.00	0.00
Group contribution received	1 000 000.00	0.00
<b>Cash flow from financing activities</b>	<b>6 823 607.71</b>	<b>906 342.50</b>
<b>Change in cash and cash equivalents, increase (+) / decrease (-)</b>	<b>-472 584.01</b>	<b>453 785.53</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>	<b>851 863.58</b>	<b>398 078.05</b>
<b>Cash and cash equivalents at the end of the financial year</b>	<b>379 279.57</b>	<b>851 863.58</b>
<b>Change in cash and cash equivalents</b>	<b>-472 584.01</b>	<b>453 785.53</b>

## ***Accounting principles***

### **Measurement and recognition principles and methods**

#### *Measurement of non-current assets*

Tangible and intangible assets are recognised in the balance sheet at cost less depreciation according to plan. Depreciation and amortization according to plan is calculated using the straight-line method based on the useful life of the assets or using 25% residual depreciation. Depreciation is started at the month when asset is taken into use.

The depreciation and amortization periods are as follows:

Development cost 5 years

Intangible rights 3 years

Goodwill 5 years

Consolidated goodwill 10 years

Other long-term expenditure 4 years

Machinery and equipment 25% residual depreciation

No changes have been made to the depreciation policy during the financial year.

The cost of tangible and intangible assets whose probable useful life is less than 3 years or whose value is low (less than 850€) is recognised as an expense as incurred.

Financial instruments are measured at fair value.

#### *Recognition of net sales*

SaaS payments and maintenance fees are recognised as net sales over the contract period in accordance with the accrual principle. The recognition is performed in equal installments over the contract period. Long-term fixed-price delivery projects are recognized as income based on the degree of readiness. The degree of readiness has been calculated on the basis of actual costs and the total cost estimate. The expected loss of unprofitable projects has been fully expensed.

#### *Research and development cost and other long-term expenditure*

Research and development cost are generally recognized as annual expenses in the year in which they are incurred. Development costs that generate income for several years have been capitalized in the balance sheet as development cost and are amortized over 5 years.

#### *Pensions*

Pension expenses are recognized as an annual expense.

#### *Deferred taxes*

The company applies prudence principle and has not recognized a deferred tax asset relating to tax losses carried forward.

#### *Foreign currencies*

Efecte Oyj  
1509667-4

Receivables and liabilities denominated in foreign currencies have been translated into Finnish currency at the exchange rate on the balance sheet date.

### **Accounting principles for group consolidated financial statements**

#### *Scope of group consolidated financial statements*

All group companies have been consolidated in the group consolidated financial statements.

#### *Accounting principles*

The group consolidated financial statements have been prepared using the acquisition cost method. The difference between the acquisition cost of the subsidiaries and the equity corresponding to the acquired share is presented as consolidated goodwill. Group goodwill is amortized over 10 years.

Intra-group transactions, mutual receivables and liabilities have been eliminated.

The income statements of foreign group companies have been translated into Finnish currency at the ECB's average exchange rate for the financial year and the balance sheets at the closing exchange rate on the balance sheet date. Exchange differences arising on translation as well as translation differences arising on the translation of equity of foreign subsidiaries are presented separately in equity.

#### *Deferred taxes*

Deferred tax assets from unused tax losses in Finnish taxation have been recognized in the group consolidated financial statements. Total confirmed losses from years 2013-2020 are 3.1 million euros for Efecte Finland Oy and 3.5 million euros for Efecte Oyj. Total tax impact of 20% is 1.3 million euros of which 0.7 million euros were capitalized during the review period.



Efecte Oyj  
1509667-4

## Notes to the income statement

Net sales	Group		Parent company	
	1.1.-31.12.2022	1.1.-31.12.2021	1.1.-31.12.2022	1.1.-31.12.2021
Net sales by type				
SaaS	13 760 061,08	10 886 164,45	0,00	0,00
Licenses	48 023,78	43 888,95	0,00	0,00
Maintenance	900 789,80	1 013 899,03	0,00	0,00
Services	6 898 501,66	5 820 499,49	3 034 646,00	2 713 512,00
	<b>21 607 376,32</b>	<b>17 764 451,92</b>	<b>3 034 646,00</b>	<b>2 713 512,00</b>

	Group		Parent company	
	1.1.-31.12.2022	1.1.-31.12.2021	1.1.-31.12.2022	1.1.-31.12.2021
Netsales by geography				
Finland	16 274 993,52	13 365 219,54	3 034 646,00	2 713 512,00
Other	5 332 382,80	4 399 232,38	0,00	0,00
	<b>21 607 376,32</b>	<b>17 764 451,92</b>	<b>3 034 646,00</b>	<b>2 713 512,00</b>

## Personnel

Number of employees on average during the period

	Group		Parent company	
	1.1.-31.12.2022	1.1.-31.12.2021	1.1.-31.12.2022	1.1.-31.12.2021
Finland	116,6	95,5	16,2	14,8
Other Europe	44,6	18,8	0,0	0,0
	<b>161,2</b>	<b>114,3</b>	<b>16,2</b>	<b>14,8</b>

	Group		Parent company	
	1.1.-31.12.2022	1.1.-31.12.2021	1.1.-31.12.2022	1.1.-31.12.2021
CEO and members of the board of directors	-503 267,85	-1 041 438,30	-503 267,85	-1 041 438,30

## Other operating expenses

	1.1.-31.12.2022	1.1.-31.12.2021	1.1.-31.12.2022	1.1.-31.12.2021
Marketing expenses	-745 955,80	-714 519,87	-326 691,29	-445 577,03
Administrative expenses	-399 104,44	-180 564,10	-182 394,85	-72 830,02
Telecom, IT and information expenses	-1 002 899,15	-859 644,67	-666 435,03	-526 376,55
Research & development expenses	-748 716,50	-364 303,80	0,00	0,00
Travel expenses	-316 492,38	-62 222,79	-96 531,68	-14 147,43
Facility expenses	-431 276,23	-390 609,78	-31 042,15	-30 736,86
Other operating expenses	-2 054 484,25	-1 368 610,53	-793 292,16	-502 953,32
	<b>-5 698 928,74</b>	<b>-3 940 475,54</b>	<b>-2 096 387,16</b>	<b>-1 592 621,21</b>

Auditor's fees	Group		Parent company	
	1.1.-31.12.2022	1.1.-31.12.2021	1.1.-31.12.2022	1.1.-31.12.2021
Audit	-71 500,00	-62 930,00	-33 300,00	-26 260,00
Assignments relating to Auditing Act section 1.1:2	-2 400,00	-1 800,00	-2 400,00	-1 800,00
Tax	-9 862,00	-6 696,20	-9 862,00	-2 230,00
Other services	-23 800,00	-26 856,35	-23 800,00	-5 700,00
	<b>-107 562,00</b>	<b>-98 282,55</b>	<b>-69 362,00</b>	<b>-35 990,00</b>

Efecte Oyj  
1509667-4

## Non-current assets

### Intangible assets

#### Development expenses

	Group		Parent company	
	1.1.-31.12.2022	1.1.-31.12.2021	1.1.-31.12.2022	1.1.-31.12.2021
Acquisition cost 1.1.	2 858 908,01	2 378 623,10	0,00	0,00
Additions	1 320 192,95	480 284,91	0,00	0,00
Acquisition cost 31.12.	4 179 100,96	2 858 908,01	0,00	0,00
Accumulated amortisation and impairment 1.1.	-1 647 150,77	-1 247 553,23	0,00	0,00
Amortisation during the period	-473 410,62	-399 597,54	0,00	0,00
Accumulated amortisation and impairment 31.12.	-2 120 561,39	-1 647 150,77	0,00	0,00
Carrying amount 31.12.	<b>2 058 539,57</b>	<b>1 211 757,24</b>	<b>0,00</b>	<b>0,00</b>
Carrying amount 1.1.	1 211 757,24	1 131 069,87	0,00	0,00

#### Intangible rights

	Group		Parent company	
	1.1.-31.12.2022	1.1.-31.12.2021	1.1.-31.12.2022	1.1.-31.12.2021
Acquisition cost 1.1.	376 537,72	376 537,72	354 964,52	354 964,52
Additions	480,69	0,00	0,00	0,00
Acquisition cost 31.12.	377 018,41	376 537,72	354 964,52	354 964,52
Accumulated amortisation and impairment 1.1.	-220 930,07	-165 275,30	-199 536,87	-145 680,15
Amortisation during the period	-54 036,72	-55 654,78	-53 856,72	-53 856,72
Accumulated amortisation and impairment 31.12.	-274 966,79	-220 930,07	-253 393,59	-199 536,87
Carrying amount 31.12.	<b>102 051,62</b>	<b>155 607,65</b>	<b>101 570,93</b>	<b>155 427,65</b>
Carrying amount 1.1.	155 607,64	211 262,42	155 427,65	209 284,37

#### Goodwill

	Group		Parent company	
	1.1.-31.12.2022	1.1.-31.12.2021	1.1.-31.12.2022	1.1.-31.12.2021
Acquisition cost 1.1.	86 357,63	86 357,63	0,00	0,00
Acquisition cost 31.12.	86 357,63	86 357,63	0,00	0,00
Accumulated amortisation and impairment 1.1.	-81 646,90	-62 804,02	0,00	0,00
Amortisation during the period	-4 710,73	-18 842,88	0,00	0,00
Accumulated amortisation and impairment 31.12.	-86 357,63	-81 646,90	0,00	0,00
Carrying amount 31.12.	<b>0,00</b>	<b>4 710,73</b>	<b>0,00</b>	<b>0,00</b>
Carrying amount 1.1.	4 710,73	23 553,61	0,00	0,00

#### Consolidated goodwill

	Group		Parent company	
	1.1.-31.12.2022	1.1.-31.12.2021	1.1.-31.12.2022	1.1.-31.12.2021
Acquisition cost 1.1.	0,00	0,00	0,00	0,00
Additions	5 682 110,55	0,00	0,00	0,00
Acquisition cost 31.12.	5 682 110,55	0,00	0,00	0,00
Accumulated amortisation and impairment 1.1.	0,00	0,00	0,00	0,00
Amortisation during the period	-278 377,95	0,00	0,00	0,00
Accumulated amortisation and impairment 31.12.	-278 377,95	0,00	0,00	0,00
Carrying amount 31.12.	5 403 732,59	0,00	0,00	0,00
Carrying amount 1.1.	0,00	0,00	0,00	0,00

#### Other long-term expenses

	Group		Parent company	
	1.1.-31.12.2022	1.1.-31.12.2021	1.1.-31.12.2022	1.1.-31.12.2021
Acquisition cost 1.1.	12 032,20	0,00	12 032,20	0,00
Additions	0,00	12 032,20	0,00	12 032,20
Acquisition cost 31.12.	12 032,20	12 032,20	12 032,20	12 032,20
Accumulated amortisation and impairment 1.1.	-3 008,05	0,00	-3 008,05	0,00
Amortisation during the period	-4 010,73	-3 008,05	-4 010,73	-3 008,05
Accumulated amortisation and impairment 31.12.	-7 018,78	-3 008,05	-7 018,78	-3 008,05
Carrying amount 31.12.	<b>5 013,42</b>	<b>9 024,15</b>	<b>5 013,42</b>	<b>9 024,15</b>
Carrying amount 1.1.	9 024,15	0,00	9 024,15	0,00

Efecte Oyj  
1509667-4

### Tangible assets

#### Machinery and equipment

	Group		Parent company	
	1.1.-31.12.2022	1.1.-31.12.2021	1.1.-31.12.2022	1.1.-31.12.2021
Acquisition cost 1.1.	339 085,07	223 803,18	129 547,99	129 547,99
Additions	55 516,90	115 281,89	0,00	0,00
Acquisition cost 31.12.	394 601,97	339 085,07	129 547,99	129 547,99
Accumulated depreciation and impairment 1.1.	-232 999,01	-206 367,94	-129 547,99	-129 547,99
Depreciation during the period	-36 387,94	-26 631,07	0,00	0,00
Accumulated depreciation and impairment 31.12	-269 386,95	-232 999,01	-129 547,99	-129 547,99
Carrying amount 31.12.	<b>125 215,02</b>	<b>106 086,06</b>	<b>0,00</b>	<b>0,00</b>
Carrying amount 1.1.	106 086,06	17 435,24	0,00	0,00

### Investments

#### Holdings in group companies

##### Subsidiary shares

	Parent company	
	1.1.-31.12.2022	1.1.-31.12.2021
Acquisition cost 1.1.	2 254 042,44	2 254 042,44
Additions	5 986 962,26	0,00
Acquisition cost 31.12.	8 241 004,70	2 254 042,44
Carrying amount 31.12.	<b>8 241 004,70</b>	<b>2 254 042,44</b>
Carrying amount 1.1.	2 254 042,44	2 254 042,44

#### Receivables from group companies

##### Loan and other receivables

	Parent company	
	1.1.-31.12.2022	1.1.-31.12.2021
Acquisition cost 1.1.	4 450 000,00	4 450 000,00
Acquisition cost 31.12.	4 450 000,00	4 450 000,00
Carrying amount 31.12.	<b>4 450 000,00</b>	<b>4 450 000,00</b>
Carrying amount 1.1.	4 450 000,00	4 450 000,00

Efecte Oyj  
1509667-4

## ***Holdings in group companies***

### **Group companies**

	<b>Ownership-%</b>	<b>Equity 31.12.2022</b>	<b>Profit for the period</b>
Efecte Finland Oy, domicile Finland.	100	1 769 827,15	348 471,79
Efecte Germany GmbH, domicile Germany.	100	99 551,14	22 971,26
Efecte AB, domicile Sweden.	100	320 907,24	28 940,11
InteliWISE S.A., domicile Poland.	100	180 923,08	-174 712,46
Intelidesk Sp. z o.o., domicile Poland.	54	-11 580,88	-24 583,69
Limtel Sp. z o.o., domicile Poland.	100	19 784,32	-5 363,14

### **Notes relating to group**

Parent company of Efecte Group is Efecte Oyj, domicile Finland.

Copies of Efecte's consolidated financial statements are available from Efecte Group's head office at Säterinkatu 6, 02600 Espoo.

## ***Receivables***

### **Current receivables**

	<b>Group</b>		<b>Parent company</b>	
	<b>31.12.2022</b>	<b>31.12.2021</b>	<b>31.12.2022</b>	<b>31.12.2021</b>
<b>Receivables from group companies</b>				
Trade receivables, Efecte Finland Oy			35 734,44	23 860,98
Other receivables, Efecte Finland Oy			570 540,00	1 181 189,00
Other receivables, InteliWISE S.A.			1 730,75	0,00
<b>Total</b>			<b>608 005,19</b>	<b>1 205 049,98</b>
<b>Receivables from others</b>				
Trade receivables	3 355 186,58	2 196 289,00	0,00	0,00
Other receivables	130 697,57	8 393,23	3 172,58	0,00
Prepayments and accrued income	343 693,17	290 371,67	138 554,02	122 010,58
<b>Total</b>	<b>3 829 577,31</b>	<b>2 495 053,90</b>	<b>141 726,60</b>	<b>122 010,58</b>
<b>Total current receivables</b>	<b><u>3 829 577,31</u></b>	<b><u>2 495 053,90</u></b>	<b><u>749 731,79</u></b>	<b><u>1 327 060,56</u></b>

### **Prepayments and accrued income**

*Material items of prepayments and accrued income*

	<b>Group</b>		<b>Parent company</b>	
	<b>31.12.2022</b>	<b>31.12.2021</b>	<b>31.12.2022</b>	<b>31.12.2021</b>
Accrued personnel expenses	29 822,75	28 081,83	25 959,88	22 476,24
Accrued net sales	113 833,32	111 576,51	0,00	0,00
Other accruals	200 037,10	150 713,33	112 594,14	99 534,34
<b>Total</b>	<b>343 693,17</b>	<b>290 371,67</b>	<b>138 554,02</b>	<b>122 010,58</b>

Efecte Oyj  
1509667-4

<b>Equity</b>	<b>Group</b>		<b>Parent company</b>	
	<b>31.12.2022</b>	<b>31.12.2021</b>	<b>31.12.2022</b>	<b>31.12.2021</b>
<b>Restricted equity</b>				
Share capital 1.1.	80 000,00	80 000,00	80 000,00	80 000,00
<b>Share capital 31.12.</b>	<b>80 000,00</b>	<b>80 000,00</b>	<b>80 000,00</b>	<b>80 000,00</b>
<b>Total restricted equity</b>	<b>80 000,00</b>	<b>80 000,00</b>	<b>80 000,00</b>	<b>80 000,00</b>
<b>Non-restricted equity</b>				
Share issue 1.1	23 000,00	0,00	23 000,00	0,00
Unregistered share issue	5 000,00	23 000,00	5 000,00	23 000,00
Registration of share issue	-23 000,00	0,00	-23 000,00	0,00
<b>Share issue 31.12</b>	<b>5 000,00</b>	<b>23 000,00</b>	<b>5 000,00</b>	<b>23 000,00</b>
Reserve of invested non-restricted equity 1.1.	11 778 560,03	10 895 217,53	11 778 560,03	10 895 217,53
Share issue	1 432 557,12	883 342,50	1 432 557,12	883 342,50
<b>Reserve of invested non-restricted equity 31.12.</b>	<b>13 211 117,15</b>	<b>11 778 560,03</b>	<b>13 211 117,15</b>	<b>11 778 560,03</b>
Retained earnings 1.1.	-8 573 080,84	-8 976 374,02	-3 682 229,70	-3 792 672,12
Translation differences	-38 701,26	-8 370,69	0,00	0,00
<b>Retained earnings 31.12.</b>	<b>-8 611 782,09</b>	<b>-8 984 744,71</b>	<b>-3 682 229,70</b>	<b>-3 792 672,12</b>
<b>Profit (loss) for the period</b>	<b>-287 138,31</b>	<b>411 663,87</b>	<b>-875 701,41</b>	<b>110 442,42</b>
<b>Total non-restricted equity</b>	<b>4 317 196,74</b>	<b>3 228 479,19</b>	<b>8 658 186,04</b>	<b>8 119 330,33</b>
<b>Total equity</b>	<b>4 397 196,74</b>	<b>3 308 479,19</b>	<b>8 738 186,04</b>	<b>8 199 330,33</b>

#### Distributable non-restricted equity

Calculation of the parent company's distributable equity	<b>Parent company</b>	
	<b>31.12.2022</b>	<b>31.12.2021</b>
Retained earnings	-3 682 229,70	-3 792 672,12
Profit (loss) for the period	-875 701,41	110 442,42
Reserve of invested non-restricted equity	13 211 117,15	11 778 560,03
Unregistered share issue	5 000,00	23 000,00
	<b>8 658 186,04</b>	<b>8 119 330,33</b>

#### Development of number of shares

Number of shares	<b>Parent company</b>	
	<b>31.12.2022</b>	<b>31.12.2021</b>
Number of shares 1.1.	6 235 873	6 056 623
Directed share issue	111 801	0
Exercise of share options	35 916	179 250
<b>Number of shares 31.12.</b>	<b>6 383 590</b>	<b>6 235 873</b>

On 31 December 2022 Efecte Plc owns 11.433 treasury shares, approx. 0.2% of the total amount of the shares.

Efecte Oyj  
1509667-4

## ***Notes to liabilities***

### **Material items of accruals**

	<b>Group</b>		<b>Parent company</b>	
	<b>31.12.2022</b>	<b>31.12.2021</b>	<b>31.12.2022</b>	<b>31.12.2021</b>
Wages and salaries	2 549 741,12	2 211 461,20	531 707,39	509 044,74
Pension and other social security expenses	293 140,58	229 993,33	36 626,95	33 391,77
Other accruals	180 257,89	194 740,30	98 432,15	105 319,98
	<b>3 023 139,60</b>	<b>2 636 194,83</b>	<b>666 766,49</b>	<b>647 756,49</b>

Efecte Oyj  
1509667-4

### ***Commitments and contingent liabilities***

Other guarantees provided on own behalf	Group		Parent company	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Rent security quarantees	101 965,13	51 566,28	61 844,25	39 118,28
Business mortgages	1 000 000,00	1 000 000,00	1 000 000,00	1 000 000,00
<b>Total</b>	<b>1 101 965,13</b>	<b>1 051 566,28</b>	<b>1 061 844,25</b>	<b>1 036 108,18</b>

#### **Pension liabilities**

The company's pension liabilities are insured with external pension insurance companies. Pension liabilities are fully covered.

Leasing liabilities	Group		Parent company	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Payable during next 12 months	61 547,50	50 108,17	59 663,50	47 128,75
Payable later	86 596,54	8 841,26	83 770,54	8 841,26
<b>Total</b>	<b>148 144,04</b>	<b>58 949,43</b>	<b>143 434,04</b>	<b>55 970,01</b>

Lease agreements for computer equipment are mainly three-year lease agreements, and the equipment can be purchased at the end of the period with approx. 2-5% remainder value.

#### **Other commitments**

Parent company Efecte Plc has a fixed-term office lease agreement of which first possible expiration date is 31.3.2024. The company's lease liability from this contract is approx. 263 thousand euro.

	Group		Parent company	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Payable during next 12 months	291 959,76	212 916,66	210 082,08	186 708,00
Payable later	138 252,20	233 385,00	52 520,52	233 385,00
<b>Total</b>	<b>430 211,96</b>	<b>446 301,66</b>	<b>262 602,60</b>	<b>420 093,00</b>

#### **Other off- balance sheet commitments**

The parent company's checking account includes limit of EUR 400,000.00 and a covenant condition. In addition parent company's financial loan agreement includes covenant conditions. The agreed special conditions is related to the company's equity ratio and to the ratio of interest-bearing netdebt to EBITDA . A breach of the covenants may increase the cost of financing or result in the release of the limit and financial loans. According to the company's management, the covenant conditions are regularly monitored and have not been violated.

Efecte Oyj  
1509667-4

***Signatures to the financial statements and to the report of board of directors***

In Espoo \_\_\_\_ . \_\_\_\_ .2023

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Pertti Ervi  
Chairman of the board of directors

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Esther Donatz  
Member of the board of directors

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Eric Gustavsson  
Member of the board of directors

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Turkka Keskinen  
Member of the board of directors

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Päivi Rekonen  
Member of the board of directors

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Niilo Fredrikson  
CEO

***Auditor's note***

An auditor's report has been issued today.

In Helsinki \_\_\_\_ . \_\_\_\_ .2023

Ernst & Young Oy  
Audit firm

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Juha Hilmola  
APA



Efecte Oyj  
1509667-4

***List of accounting books and journal types and storage methods***

General ledger	Electronic archive
Journal ledger	Electronic archive
Balance sheet specifications	Electronic archive
Bank journals	Electronic archive
Purchase invoices	Electronic archive
Sales invoices	Electronic archive
Memo journals	Electronic archive
Travel and expense invoices	Electronic archive

The accounting material to be archived in electronic form is stored in the following systems used by the company (Netsuite, Visma M2).

Efecte Oyj  
1509667-4

### Formulas for financial ratios

Operating profit/loss %	=	Operating profit/loss Net sales	x 100
Profit/loss % (before taxes)	=	Profit/loss before taxes Net sales	x 100
Return on equity % (ROE)	=	Profit/loss Equity (average during the financial year)	x 100
Return on investment % (ROI)	=	Profit/loss before taxes + financial expenses Equity + interest bearing financial liabilities (average during the financial year)	x 100
Equity ratio %	=	Equity Total assets – advances received	x 100
Gross investments to tangible and intangible assets, % net sales	=	Gross investments to tangible and intangible assets Net sales	x 100
Research and development cost, % net sales	=	Research and development cost Net sales	x 100
Gearing %	=	Interest bearing liabilities – cash and cash equivalents Equity	x 100

## AUDITOR'S REPORT (Translation of the Finnish original)

To the Annual General Meeting of Efecte Plc

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Efecte Plc (business identity code 1509667-4) for the year ended 31 December 2022. The financial statements comprise the balance sheets, the income statements, cash flow statements and notes for the group as well as for the parent company.

In our opinion, the financial statements give a true and fair view of the group's and the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

#### Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## **Other reporting requirements**

### **Other information**

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

Helsinki 28.2.2023

Ernst & Young Oy  
Authorized Public Accountant Firm

*JUHA HILMOLA*

Juha Hilmola  
Authorized Public Accountant

**ARTICLES OF ASSOCIATION OF EFECTE****ARTICLES OF ASSOCIATION****1 § Company's Business Name and Domicile**

The company's name is Efecte Oyj, in English Efecte Plc. The company is domiciled in Espoo.

**2 § Fields of Business**

The company engages directly, or through its subsidiaries, in planning and implementing of software, software programming, data communication applications, and purchase, sale, import, export, production, installation and maintenance of computers, computer parts, additional devices, power supplies, and software as well as consulting and training related to them. The company may also take care of the group's organization, financing, purchases, and other similar common tasks as well as own real estates, shares, and dividends, and engage in securities trading and other investment activities.

**3 § Board of Directors and Chief Executive Officer (CEO)**

The company's Board of Directors is composed of at least three and no more than six members. The term of office of the Board members ends at the conclusion of the first Annual General Meeting which is convened after the election.

The company has a CEO appointed by the Board of Directors.

**4 § Legal Representation**

The company is represented by the CEO and the Chairman of the Board of Directors both alone, and a member of the Board of Directors, procurator, or other representative appointed by the company, two together. The Board of Directors may grant the right to represent the company to appointed persons two together, or alone together with a Board member, procurator, or CEO.

**5 § Auditor**

The company has one auditor that must be an auditing organization approved by the Central Chamber of Commerce. The term of the auditor is one financial year, and the assignment is terminated at the end of the next Annual General Meeting.

**6 § Financial Year**

The financial year is the calendar year.

**7 § Book Entry**

The company's shares belong to the book-entry system after the closing date.

**8 § Invitation to Annual General Meeting**

An invitation to a shareholders' meeting shall be published on the company's website or sent by post to the addresses of the shareholders stated in the shareholder register, or by email to the address known to the company no earlier than three months and no later than three weeks prior to the meeting. The notice shall, however, be delivered at least ten days before the record date of the Meeting.

**9 § Annual General Meeting**

The Annual General Meeting is to be held each year within six months from the end of the financial year.

At the Meeting, the following shall be presented:

1. financial statements for the company and possibly for the group as well as a report of the Board of Directors;

2. auditor's report;

resolved upon:

3. confirmation of the company's financial statements and possibly that of the group;
4. use of the profit indicated in the financial statements;
5. discharge of liability for the Board members and the CEO;
6. number of the Board members;

elected:

7. the members of the Board of Directors as well as
8. the auditor.

The Annual General Meeting may be held in the company's domicile or Helsinki. In addition, the Board of Directors may resolve on organising the general meeting without a meeting venue whereby the shareholders have the right to exercise their decision-making power in full in real time during the meeting using telecommunication connection and technical means.

**STATEMENT BY THE BOARD OF DIRECTORS OF EFECTE**

**STATEMENT OF THE BOARD OF DIRECTORS OF EFECTE PLC REGARDING THE VOLUNTARY RECOMMENDED PUBLIC CASH TENDER OFFER BY MATRIX42, A PORTFOLIO COMPANY OF CORTEN CAPITAL, ACTING THROUGH EUROPEAN 24 BIDCO OY**

Efecte Plc COMPANY RELEASE January 29, 2024 at 10.00 a.m. EET

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO AUSTRALIA, CANADA, HONG KONG, JAPAN, NEW ZEALAND OR SOUTH AFRICA OR IN ANY OTHER JURISDICTION IN WHICH THE TENDER OFFER WOULD BE PROHIBITED BY APPLICABLE LAW. SHAREHOLDERS AND HOLDERS OF STOCK OPTIONS IN THE UNITED STATES SHOULD ALSO REFER TO THE SECTION TITLED “INFORMATION FOR SHAREHOLDERS AND HOLDERS OF STOCK OPTIONS OF EFECTE IN THE UNITED STATES” AT THE END OF THIS RELEASE.

On January 18, 2024, European 24 Bidco Oy (the “**Offeror**”) announced that it will make a voluntary recommended public cash tender offer for all the issued and outstanding shares in Efecte Plc (“**Efecte**” or the “**Company**”) that are not held by Efecte or its subsidiaries (the “**Shares**” or, individually, a “**Share**”) and for all the issued and outstanding stock options in Efecte that are not held by Efecte or its subsidiaries (the “**Stock Options**” or, individually, a “**Stock Option**”) (the “**Tender Offer**”). The shareholders of Efecte (other than Efecte or its subsidiaries) will be offered a cash consideration of EUR 15.00 for each Share validly tendered in the Tender Offer (the “**Share Offer Price**”). The holders of the Stock Options will be offered a cash consideration for each Stock Option validly tendered as further described in section “Tender Offer in Brief — Consideration Offered” below.

The Board of Directors of the Company (the “**Efecte Board**”) has decided to issue the statement below regarding the Tender Offer as required by the Helsinki Takeover Code issued by the Securities Market Association (the “**Takeover Code**”).

### **Tender Offer in Brief**

The Offeror is a private limited liability company incorporated and existing under the laws of Finland, that is directly wholly owned by Matrix42 Holding GmbH, a corporation incorporated and existing under the laws of Germany (“**Matrix42**”). Matrix42 is the holding entity of the Matrix42 Group headquartered in Frankfurt, which provides innovative software solutions for digital workspace experience management, unified endpoint management, and enterprise service management. Matrix42 is owned by funds advised by Corten Advisors UK LLP (“**Corten Capital**”), a private equity firm, incorporated and existing under the laws of the United Kingdom.

The Offeror and Efecte have on January 18, 2024 entered into a combination agreement (the “**Combination Agreement**”) pursuant to which the Offeror will make the Tender Offer for all of the Shares and Stock Options.

As at the date of this statement, Efecte has 6,452,424 issued shares, of which 6,446,542 are outstanding Shares and 5,882 of which are held in treasury, and a total of 610,720 outstanding Stock Options, comprising of 77,825 Stock Options 2018B, 103,750 Stock Options 2018C, 118,650 Stock Options 2021A, 24,000 Stock Options 2021A1, 128,145 Stock Options 2021B, 19,500 Stock Options 2021B1 and 138,850 Stock Options 2021C. As at the date of this statement, neither the Offeror nor Matrix42 nor Corten Capital hold any Shares nor Stock Options.

The Offeror, Matrix42 and Corten Capital, each respectively, reserve the right to acquire, or enter into arrangements to acquire, Shares and Stock Options before, during and/or after the offer period (including any extension thereof and any subsequent offer period) outside the Tender Offer in public trading on First North Growth Market Finland maintained by Nasdaq Helsinki Ltd (“**Nasdaq First North**”) or otherwise.

The Tender Offer will be made in accordance with the terms and conditions to be included in the tender offer document expected to be published by the Offeror on or about January 29, 2024 (the “**Tender Offer Document**”).

### **Consideration Offered**

The Tender Offer was announced with a Share Offer Price of EUR 15.00 in cash for each Share validly tendered in the Tender Offer, subject to any adjustments as set out below.



The Share Offer Price represents a premium of approximately:

- 90.8 percent compared to EUR 7.86, i.e. the closing price of the Efecte share on Nasdaq First North on January 17, 2024, the last trading day immediately preceding the announcement of the Tender Offer;
- 96.3 percent compared to EUR 7.64, i.e. the three-month volume-weighted average trading price of the Efecte share on Nasdaq First North immediately preceding the announcement of the Tender Offer; and
- 83.4 percent compared to EUR 8.18, i.e. the six-month volume-weighted average trading price of the Efecte share on Nasdaq First North immediately preceding the announcement of the Tender Offer.

The price offered for each Stock Option validly tendered in the Tender Offer is EUR 10.00 in cash for each outstanding Stock Option 2018B (the “**Option 2018B Offer Price**”), EUR 10.61 in cash for each outstanding Stock Option 2018C (the “**Option 2018C Offer Price**”), EUR 0.01 in cash for each outstanding Stock Option 2021A (the “**Option 2021A Offer Price**”), EUR 0.01 in cash for each outstanding Stock Option 2021A1 (the “**Option 2021A1 Offer Price**”), EUR 3.77 in cash for each outstanding Stock Option 2021B (the “**Option 2021B Offer Price**”), EUR 3.77 in cash for each outstanding Stock Option 2021B1 (the “**Option 2021B1 Offer Price**”) and EUR 4.69 in cash for each outstanding Stock Option 2021C (the “**Option 2021C Offer Price**”, and together with the Option 2018B Offer Price, Option 2018C Offer Price, Option 2021A Offer Price, Option 2021A1 Offer Price, Option 2021B Offer Price and Option 2021B1 Offer Price, the “**Option Offer Price**”), subject to any adjustments as set out below.

The Share Offer Price has been determined based on 6,446,542 issued and outstanding Shares. The Option 2018B Offer Price has been determined based on 77,825 Stock Options 2018B issued and outstanding, the Option 2018C Offer Price has been determined based on 103,750 Stock Options 2018C issued and outstanding, the Option 2021A Offer Price has been determined based on 118,650 Stock Options 2021A issued and outstanding, the Option 2021A1 Offer Price has been determined based on 24,000 Stock Options 2021A1 issued and outstanding, the Option 2021B Offer Price has been determined based on 128,145 Stock Options 2021B issued and outstanding, the Option 2021B1 Offer Price has been determined based on 19,500 Stock Options 2021B1 issued and outstanding and the Option 2021C Offer Price has been determined based on 138,850 Stock Options 2021C issued and outstanding.

Should the Company change the number of the Shares that are issued and outstanding on the date of the Combination Agreement as a result of a new share issue, reclassification, stock split (including a reverse split) or any other similar transaction with dilutive effect other than as agreed to be permitted in relation to the Company’s existing share-based incentive schemes, 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 any of the settlements of the completion trades (whether after the expiry of the offer period or any subsequent offer period) the Share Offer Price and the Option Offer Price payable by the Offeror will be reduced accordingly on a euro-for-euro basis.

First Fellow Oy, Oy Fincorp Ab, Markku Montonen, Chair of Efecte Board Pertti Ervi, member of Efecte Board Turkka Keskinen and all members of the Leadership Team of Efecte, including CEO Niilo Fredrikson, together representing approximately 26.4 percent of all Shares and votes in Efecte and 63.9 percent of the Stock Options, have irrevocably undertaken to accept the Tender Offer. These irrevocable undertakings will remain in force regardless of any superior competing offers and will terminate in case the Offeror announces that it will not pursue or complete (or will cancel) the Tender Offer or if the Offeror announces that it will waive the acceptance threshold of more than 90 percent of the Shares in such a manner that the Tender Offer could be completed at an acceptance threshold of less than two thirds of the Shares or that it will lower the acceptance threshold of the Tender Offer to less than two thirds of the Shares.

In addition, Aktia Nordic Micro Cap Fund, Ilmarinen Mutual Pension Insurance Company and Alcur Fonder AB, together representing approximately 15.8 percent of all Shares and votes in Efecte, have irrevocably undertaken to accept the Tender Offer. These irrevocable undertakings will terminate in case the Offeror announces that it will not pursue or complete (or will cancel) the Tender Offer, or in the event that a competing tender offer is announced by a third party with a consideration of at least 10 percent higher than the Share Offer Price and the Offeror does not within seven (7) business days match or exceed the consideration offered in such competing tender offer.

All irrevocable undertakings represent in aggregate approximately 44.1 percent of the Shares on a fully diluted basis (assuming full conversion of the Stock Options into shares in Efecte).

The completion of the Tender 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 Tender Offer including, among others, that approvals by all necessary regulatory authorities have been received (or where applicable, the waiting periods have expired) and the Offeror having gained control to more than 90 percent of the Shares and votes in the Company on a fully diluted basis 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 received an equity commitment, as evidenced in the equity commitment letter from Corten Capital I, LP addressed to the Offeror and debt commitments, as evidenced in a debt commitment letter from Golub Capital LLC on behalf of certain of its affiliated, similarly managed and/or related funds and addressed to the Offeror and its indirect parent company, Neo Midco S.à r.l., in each case, to finance the Tender Offer at completion and compulsory redemption proceedings, if any, and the possible payment of a termination fee by the Offeror. Golub Capital LLC's debt commitment to the Offeror and its indirect parent company, Neo Midco S.à r.l., has been committed on a customary European "certain funds" basis and the debt financing's availability is subject only to the following limited conditions: (i) no event of default relating to non-payment, breach of certain major undertakings, major misrepresentation, cross default, certain insolvency proceedings (or certain similar proceedings), unlawfulness or repudiation and rescission of certain agreements, is continuing or would result from the drawdown; (ii) no event of illegality in respect of the lenders or certain change of control events having occurred; and (iii) the provision of certain customary documentary and commercial conditions precedent each of which is satisfied, in a customary form, or within the control of the Offeror. The Offeror's obligation to complete the Tender Offer is not conditional upon availability of financing (assuming that all the conditions for the completion of the Tender Offer are otherwise satisfied or waived by the Offeror).

The offer period under the Tender Offer is expected to commence on or about January 30, 2024 and to expire on or about March 5, 2024, unless the offer period is discontinued in accordance with, and subject to, the terms and conditions of the Tender Offer and applicable laws and regulations or the Offeror extends the offer period in order to satisfy the conditions to completion of the Tender Offer, including, among others, the receipt of all necessary regulatory approvals (or expiry of regulatory waiting periods, as the case may be). To the Offeror's knowledge, the Offeror is not under any obligation to obtain any approval from any regulatory authority for the completion of the Tender Offer other than an approval from the Ministry of Economic Affairs and Employment of Finland. Based on currently available information, the Offeror expects to obtain approval from the Ministry of Economic Affairs and Employment of Finland and to complete the Tender Offer at the end of the first quarter or at the beginning of the second quarter of 2024.

As announced in connection with the publication of the Tender Offer, the Combination Agreement includes customary provisions whereby the Efecte Board retains the right to withdraw, modify, cancel or amend and take actions contradictory to its recommendation to shareholders and holders of Stock Options to accept the Tender Offer in order to comply with the board's fiduciary duties in case of receipt of a written competing proposal or announcement of a competing offer, which the Efecte Board has determined in good faith to constitute, when considered as a whole, a superior offer (both from financial and deliverability points of view to the Offeror's Tender Offer), provided that the Efecte Board has (i) complied with its obligations in the Combination Agreement to not solicitate competing transactions, (ii) notified the Offeror of the Company's receipt of the competing offer or competing proposal with reasonably detailed information about the competing offer or competing proposal (including the identity of the competing offeror, pricing, and other material terms and conditions, as well as any material revisions thereto), (iii) in good faith provided the Offeror with an opportunity to negotiate with the Efecte Board about matters arising from the competing offer or competing proposal, and (iv) given the Offeror at least seven (7) business days from the date of publishing the competing offer or from the date of the Offeror having been informed in writing of a serious competing proposal ready to be launched and of its material terms to enhance its Tender Offer as contemplated by the Combination Agreement.

The Efecte Board has seen it appropriate to agree to the non-solicitation undertaking, based on their assessment of the terms and conditions of the Tender Offer and the irrevocable undertakings provided by the Company's significant shareholders to the Offeror, and also considering that the non-solicitation undertaking does not prevent the Efecte Board from complying with its fiduciary duties in a situation in which the Efecte Board has received a competing proposal or competing offer, or from complying with the applicable regulation otherwise.

## **Background for the Statement**

Pursuant to the Takeover Code, the Efecte Board must issue a public statement regarding the Tender Offer.

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

For the purposes of issuing this statement, the Offeror has submitted to the Efecte Board a draft version of the Finnish language Tender Offer Document on January 24, 2024 (the “**Draft Tender Offer Document**”).

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

## **Assessment Regarding Strategic Plans Presented by the Offeror in the Draft Tender Offer Document and Their Likely Effects on the Operations of, and Employment at, Efecte**

### ***Information Given by the Offeror in the Draft Tender Offer Document***

The Efecte Board has assessed the Offeror’s strategic plans based on the statements made in the Company’s and the Offeror’s announcement regarding the Tender Offer published on January 18, 2024 and the Draft Tender Offer Document.

Corten Capital acquired Matrix42 in July 2021 as a leading DACH-focused provider of a service management software suite, with the ambition to build a European service management champion with a broad set of solutions to automate and streamline complex workflows for customers within and beyond the IT function. With Corten Capital’s support, since 2021 Matrix42 has continued its strong organic growth across Germany, Austria and Switzerland as well as in France, Italy and other EMEA markets. Service management is a large, high-growth and fragmented market and Matrix42 is well positioned to continue to grow both organically and through strategic acquisitions.

Matrix42 views Efecte as a highly complementary acquisition due to its strong reputation, its leading position in the Nordic markets, its world-class team of service management professionals and its shared vision to build a European service management champion. Efecte has built a market-leading position in Finland since its foundation in 1998, and in recent years it has developed a growing commercial footprint in Sweden, Germany and Poland. Together, Matrix42 and Efecte will constitute a scaled European player in the service management market, with 550 employees serving over 4,750 customers across 30 countries.

Both Matrix42 and Efecte serve midmarket and enterprise customers requiring service management solutions with rich and extensive functionality adapted to their organizational needs. The two firms have an aligned strategy and complementary products and customers, and their combination will provide an enlarged market presence and enhanced resources for technology and product innovation. Matrix42 and Efecte will both continue to deliver their existing solutions to their respective customers and both remain committed to their innovation roadmaps for their respective product offerings. The combination will also enable Matrix42 and Efecte and their respective customers to benefit from complementary product capabilities over time. Together, Matrix42 and Efecte will have increased scale, talent and capital to pursue and accelerate their growth ambition.

Matrix42 seeks to acquire all Shares and Stock Options in Efecte and is making an offer to Efecte’s shareholders and holders of Stock Options. The Tender Offer enables the Company’s shareholders and holders of Stock Options to realize their held securities in Efecte at a premium of 90.8 percent compared to the closing price (EUR 7.86) of the Share on Nasdaq First North on January 17, 2024, the last trading day immediately preceding the announcement of the Tender Offer.

According to information provided by the Offeror, the completion of the Tender 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 Efecte. However, as is customary, the Offeror intends to change the composition of the Efecte Board after the completion of the Tender Offer.

## ***Board Assessment***

The Efecte Board believes that the Offeror is well-positioned to support Efecte's growth ambition, as Efecte and Matrix42 pursue similar missions to automate corporate service workflows by providing service management platforms, and considering Corten Capital's considerable experience in the industry through its exclusive investment focus on B2B software, services and data.

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

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

## **Assessment Regarding Financing Presented by the Offeror in the Draft Tender Offer Document**

### ***Information Given by the Offeror in the Draft Tender Offer Document***

The Efecte Board has assessed the Offeror's financing based on the below statements made in the Offeror's announcement regarding the Tender Offer published on January 18, 2024 and the Draft Tender Offer Document. Furthermore, the Company's legal adviser Castrén & Snellman Attorneys Ltd has reviewed the Offeror's principal financing documents.

Pursuant to the Draft Tender Offer Document, the Offeror has received an equity commitment, as evidenced in the equity commitment letter from Corten Capital I, LP addressed to the Offeror and debt commitments, as evidenced in a debt commitment letter from Golub Capital LLC on behalf of certain of its affiliated, similarly managed and/or related funds and addressed to the Offeror and its indirect parent company, Neo Midco S.à r.l., in each case, to finance the Tender Offer at completion and compulsory redemption proceedings, if any, and the possible payment of a termination fee by the Offeror. Golub Capital LLC's debt commitment to the Offeror and its indirect parent company, Neo Midco S.à r.l., has been committed on a customary European "certain funds" basis and the debt financing's availability is subject only to the following limited conditions: (i) no event of default relating to non-payment, breach of certain major undertakings, major misrepresentation, cross default, certain insolvency proceedings (or certain similar proceedings), unlawfulness or repudiation and rescission of certain agreements, is continuing or would result from the drawdown; (ii) no event of illegality in respect of the lenders or certain change of control events having occurred; and (iii) the provision of certain customary documentary and commercial conditions precedent each of which is satisfied, in a customary form, or within the control of the Offeror. The Offeror's obligation to complete the Tender Offer is not conditional upon availability of financing (assuming that all the conditions for the completion of the Tender Offer are otherwise satisfied or waived by the Offeror).

### ***The Offeror's Representations and Warranties in the Combination Agreement***

In the Combination Agreement, the Offeror represents and warrants, among other things, to Efecte that the Offeror has access to capital in a sufficient amount, as evidenced in, together, (i) the equity commitment letter and (ii) the debt commitment letters, in each case, delivered to the Company prior to the execution of the Combination Agreement, to finance the Tender Offer at completion and the compulsory redemption proceedings thereafter, if any. The Offeror's obligation to complete the Tender Offer is not conditional upon availability of financing (assuming that all the conditions for the completion of the Tender Offer are otherwise satisfied or waived by the Offeror).

## ***Board Assessment***

Based on the information made available by the Offeror to the Company, the Efecte Board believes that the Offeror has secured necessary and adequate financing in sufficient amounts in the form of cash available under the equity and debt commitment letters in order to finance the Tender Offer at completion and compulsory redemption proceedings, if any, and the possible payment of a termination fee by the Offeror, in accordance with the requirement set out in Chapter 11, Section 9 of the Finnish Securities Markets Act.

## **Assessment of the Tender Offer from the Perspective of Efecte and its Shareholders and Holders of Option Rights**

When evaluating the Tender Offer, analysing alternative opportunities available to Efecte and concluding on its statement, the Efecte Board has considered several factors, including, but not limited to, Efecte's recent financial performance, current position and future prospects, the historical performance of the trading price of Efecte's share, and the conditions for the Offeror to complete the Tender Offer.

The Efecte Board's assessment of continuing the business operations of Efecte as an independent company has been based on reasonable future-oriented estimates, which include various uncertainties, whereas the Share Offer Price, the Option Offer Price and the premiums included therein are not subject to any uncertainty other than the fulfilment of the conditions to completion of the Tender Offer.

The Efecte Board received an opinion, dated January 18, 2024, from Efecte's financial adviser, Carnegie Investment Bank AB, Finland Branch ("**Carnegie**"), to the effect that, as of the date of such opinion, the Share Offer Price to be paid to holders of Shares pursuant to the Tender Offer, was fair, from a financial point of view to such holders of Shares, which opinion was based upon and subject to the assumptions made, procedures followed, matters considered and limitations and qualifications on the review undertaken as more fully described in such opinion (the "**Opinion**"). The Opinion was provided for the use and benefit of the Efecte Board and does not constitute a recommendation as to whether any holders of Shares should tender such Shares in connection with the Tender Offer or how any holders of Shares should act in connection with the Tender Offer or any related matter. The complete Opinion is attached as Appendix 1 to this statement.

The Efecte Board believes that the Share Offer Price is fair to the shareholders and the Option Offer Price is fair to the holders of Stock Options based on its assessment of the matters and factors, which the Efecte Board has concluded to be material in evaluating the Tender Offer. These matters and factors include, but are not limited to:

- the information and assumptions on the business operations and financial condition of Efecte 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 Efecte's current strategy;
- the premium being offered for the Shares;
- the historical trading price of Efecte's share;
- transaction certainty, and that the conditions of the Tender Offer are reasonable and customary;
- valuation multiples of Efecte's share compared to the industry multiples before the announcement of the Tender Offer;
- valuations and analysis made and commissioned by the Efecte Board as well as discussions with an external financial adviser; and
- the Opinion issued by Carnegie.

In addition, the Efecte Board considers the Share Offer Price and the Option Offer Price levels as well as the shareholders' support for the Tender Offer in the form of irrevocable undertakings (including the irrevocable undertakings together representing approximately 26.4 percent of all Shares and votes in Efecte and 63.9 percent of the Stock Options that will remain in force regardless of any superior competing offers subject to terms and conditions described above) 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 Tender Offer.

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

### **Recommendation of the Efecte Board**

The Efecte Board has carefully assessed the Tender Offer and its terms and conditions based on the Draft Tender Offer Document, the Opinion, and other available information. In line with the Helsinki Takeover Code, the Efecte Board has sought the best possible outcome for the Company's shareholders by undertaking the measures needed to achieve as good offer as possible by also evaluating other alternatives as part of the assessment of the Tender Offer and the offer consideration.

Based on the foregoing, the Efecte Board considers that the Tender Offer and the amount of the Share Offer Price and Option Offer Price, under the prevailing circumstances, are fair to Efecte's shareholders and holders of Stock Options.

Given the above-mentioned viewpoints, the Efecte Board unanimously recommends that the shareholders and holders of Stock Options of Efecte accept the Tender Offer.

All members of the Efecte Board have participated in the decision-making concerning the statement. The evaluation of independence of the members of the Efecte Board is available on the website of Efecte in [https://investors.efecte.com/en/investors/corporate\\_governance/board\\_of\\_directors](https://investors.efecte.com/en/investors/corporate_governance/board_of_directors). The Chair of the Efecte Board Pertti Ervi and member of the Efecte Board Turkka Keskinen have signed irrevocable undertakings to accept the Tender Offer on the terms and conditions described above, but based on said Efecte Board members' evaluation, this is not deemed to have an impact on their ability to review the Tender Offer unconstrained by undue influences.

### **Certain Other Matters**

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

The Efecte Board notes that the shareholders and holders of Stock Options of Efecte should also take into account the potential risks related to non-acceptance of the Tender Offer. If the acceptance condition of more than 90 percent of the Shares and votes is waived, the completion of the Tender Offer would reduce the number of Efecte's 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 Tender Offer, this could have an adverse effect on the liquidity and value of the Shares. 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, Section 1 of the Finnish Companies Act, a shareholder that holds more than nine-tenths (9/10) of all shares and votes in a company shall have the right to acquire and, subject to a demand by other shareholders, also be obligated to redeem the shares owned by the other shareholders. In such case, the Shares held by Efecte's shareholders, who have not accepted the Tender Offer, may be redeemed through redemption proceedings under the Finnish Companies Act in accordance with the conditions set out therein.

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

Efecte has appointed Carnegie as its financial adviser and Castrén & Snellman Attorneys Ltd as its legal adviser in connection with the Tender Offer.

### **The Board of Directors of Efecte**

Appendix 1: Opinion

#### **Investor and Media enquiries:**

For further information, please see the dedicated website at: <https://efecte.tenderoffer.fi/en/>

#### **Efecte**

Niilo Fredrikson

Tel. +358 50 356 7177

niilo.fredrikson@efecte.com

**Certified Adviser of Efecte:**

Evli Plc

Tel. +358 40 579 6210

**ABOUT EFECTE**

Efecte is a public limited liability company incorporated under the laws of Finland with its shares admitted to trading on Nasdaq First North. Efecte helps people digitalize and automate their work. Customers across Europe leverage Efecte's cloud service to operate with greater agility, to improve the experience of end-users, and to save costs. The use cases for Efecte's solutions range from IT service management and ticketing to improving employee experiences, business workflows, and customer service. Efecte is the European alternative to the global goliaths in Efecte's space. Efecte's headquarters is located in Finland and Efecte has regional hubs in Germany, Poland, Spain and Sweden.

**ABOUT THE OFFEROR, MATRIX42 AND CORTEN CAPITAL**

European 24 Bidco Oy is a private limited liability company incorporated and existing under the laws of Finland that is directly wholly owned by Matrix42 Holding GmbH. European 24 Bidco Oy has not previously conducted, and currently does not conduct, any business. European 24 Bidco Oy was formed to make the Tender Offer and its sole business purpose is to make the Tender Offer and to operate as the parent company of Efecte.

Matrix42, a corporation incorporated and existing under the laws of Germany, is the holding entity of the Matrix42 Group headquartered in Frankfurt, which provides innovative software solutions for digital workspace experience management, unified endpoint management, and enterprise service management. The company's products and services empower organizations to improve IT efficiency, enhance end-user productivity, and enable digital transformation. With over 25 years of experience and a customer base spanning across various industries and regions, Matrix42 is trusted by enterprises worldwide for its reliable and comprehensive solutions. Matrix42 is a portfolio company of and is controlled by funds advised by Corten Capital. For further information, please visit [www.matrix42.com](http://www.matrix42.com).

Corten Capital is a specialist investment firm that partners with entrepreneurial management teams to build market leading, B2B software, services and information companies across Europe and North America. Corten Capital is backed by an exceptional group of university endowments, charitable foundations and family offices from North America, Europe, and Asia, who share its philosophy of investing for long term value creation through growth and innovation. Corten Advisors UK LLP is authorised and regulated by the Financial Conduct Authority in the UK. For further information, please visit [www.cortencapital.com](http://www.cortencapital.com).

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THIS RELEASE HAS BEEN PREPARED IN COMPLIANCE WITH FINNISH LAW, THE RULES OF NASDAQ FIRST NORTH AND THE HELSINKI TAKEOVER CODE AND THE INFORMATION DISCLOSED MAY NOT BE THE SAME AS THAT WHICH WOULD HAVE BEEN DISCLOSED IF THIS ANNOUNCEMENT HAD BEEN PREPARED IN ACCORDANCE WITH THE LAWS OF JURISDICTIONS OUTSIDE OF FINLAND.

### **Information for shareholders and holders of Stock Options of Efecte in the United States**

Shareholders and holders of Stock Options of Efecte in the United States are advised that the Shares or Stock Options are not listed on a U.S. securities exchange and that Efecte is not subject to the periodic reporting requirements of the U.S. Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and is not required to, and does not, file any reports with the U.S. Securities and Exchange Commission (the “**SEC**”) thereunder.

The Tender Offer will be made for the Shares and Stock Options of Efecte, which is domiciled in Finland, and is subject to Finnish disclosure and procedural requirements. The Tender Offer is expected to be made in the United States pursuant to Section 14(e) of, and Regulation 14E, under the Exchange Act, subject to the exemption provided under Rule 14d-1(d) under the Exchange Act, for a Tier II tender offer and otherwise in accordance with the disclosure and procedural requirements of Finnish law, including with respect to the Tender Offer timetable, settlement procedures, withdrawal, waiver of conditions and timing of payments, which are different from those applicable under the tender offer procedures and laws of the United States for domestic offers. In particular, the financial information included in this announcement 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 Tender Offer is made to Efecte’s shareholders and holders of Stock Options resident in the United States on the same terms and conditions as those made to all other shareholders and holders of Stock Options of Efecte to whom an offer is made. Any informational documents, including this announcement, are being disseminated to U.S. shareholders and holders of Stock Options on a basis comparable to the method that such documents are provided to Efecte’s other shareholders and holders of Stock Options.

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 release and during the pendency of the Tender Offer, and other than pursuant to the Tender 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, and the consideration in the Tender Offer must be increased to match any such consideration paid outside the Tender Offer. 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 and holders of Stock Options of Efecte of such information. In addition, the financial adviser to the Offeror may also engage in ordinary course trading activities in securities of Efecte, 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 SEC nor any U.S. state securities commission has approved or disapproved the Tender Offer, passed upon the merits or fairness of the Tender Offer, or passed any comment upon the adequacy, accuracy or completeness of the disclosure in relation to the Tender Offer. Any representation to the contrary is a criminal offence in the United States.

The receipt of cash pursuant to the Tender Offer by a U.S. holder of Shares or Stock Options may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other, tax laws. Each holder of Shares or Stock Options is urged to consult its independent professional advisers immediately regarding the tax and other consequences of accepting the Tender Offer.

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

### **Forward-looking statements**

This release 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 this release.

### **Disclaimer**

Danske Bank A/S is authorised 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 Tender Offer.

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**Private & Confidential**

The Board of Directors of Efecte Plc  
Efecte Plc  
Säterinkatu 6  
FI-02600 Espoo, Finland

18 January 2024

Ladies and Gentlemen,

You have asked for the opinion of Carnegie Investment Bank AB, Finland Branch ("**Carnegie**") as to whether the cash consideration of EUR 15.00 per Share (as defined below) (the "**Share Offer Price**") in the voluntary public cash tender offer (the "**Offer**") for all the issued and outstanding shares in Efecte Plc ("**Efecte**" or the "**Company**") that are not held by Efecte or its subsidiaries (the "**Shares**" or, individually, a "**Share**", and each beneficial owner of a Share a "**Shareholder**") by European 24 Bidco Oy (the "**Offeror**"), a private limited liability company incorporated and existing under the laws of Finland, that is directly wholly owned by Matrix42 Holding GmbH ("**Matrix42**"), a corporation incorporated and existing under the laws of Germany, that is owned by funds advised by Corten Advisors UK LLP ("**Corten Capital**"), a private equity firm, incorporated and existing under the laws of the United Kingdom, is in the context of the Offer and from a financial point of view, fair to the Shareholders of Efecte.

Pursuant to the terms and conditions of the Offer, as set forth in the combination agreement agreed by and between the Company and the Offeror dated 18 January 2024 (the combination agreement document referred to as the "**Combination Agreement**"), the Offeror is offering the Share Offer Price for each Share validly tendered in the Offer. The Combination Agreement further provides for a voluntary public cash tender offer for all the issued and outstanding stock options in Efecte that are not held by Efecte or its subsidiaries as to which Carnegie expresses no opinion.

For the purposes of providing our opinion ("**Fairness Opinion**"), Carnegie has reviewed, among other things, certain publicly available business and financial information relating to the Company, such as annual and interim reports, including the latest published business review; certain publicly available financial forecasts relating to the business and financial prospects of the Company prepared by certain research analysts; and certain internal financial projections and related supporting material prepared by the senior management that have not been disclosed to the public, but provided for us for the purposes of our analysis. We have also





discussed such projections and past and current business operations, as well as financial condition and future outlook with the senior management of the Company; reviewed the historical stock prices and trading volumes of the Shares in the Company; reviewed certain publicly disclosed transactions we believe to be comparable to the Offer; reviewed public information with respect to certain other companies we believe to be comparable to the Company; and performed such other financial reviews and analyses, as we, in our absolute discretion, have deemed appropriate. When carrying out the analysis Carnegie has applied those valuation methods considered necessary and appropriate for this assessment, including the application of common investment banking analyses.

Carnegie has, with the consent of the Board of Directors of the Company, assumed and relied upon the truth, accuracy and completeness of the information, forecasts, data and financial terms provided or used, has assumed that the same are not misleading, and does not assume or accept any liability or responsibility for any independent verification or checking of such information or any independent valuation or appraisal of any of the assets, operations or liabilities of the Company. With respect to the financial projections, Carnegie has, with the consent of the Board of Directors of the Company, assumed that they have been reasonably prepared on bases reflecting the best available estimates and judgments of the management of the Company as to the future financial performance of the Company at that time, and that no event subsequent to this and undisclosed to Carnegie has had a material effect on them. Carnegie does not assume or accept liability or responsibility for (and expresses no view as to) such projections or the assumptions on which they are based. In preparing this Fairness Opinion, Carnegie has received specific confirmation from senior management of the Company that the assumptions specified above are correct and no information has been withheld from Carnegie that could have influenced the purport of this Fairness Opinion or the assumptions on which it is based.

Furthermore, Carnegie's opinion is necessarily based on financial, economic, monetary, market and other conditions as in effect and reasonably capable of evaluation on, and the information made available to Carnegie or used by it up to, the date hereof. This Fairness Opinion exclusively focuses on the fairness, from a financial point of view, of the Share Offer Price and does not address any other issues such as assessment of the Offeror's rationale (e.g. including expected synergies) for proposing the Offer, or the underlying business decision to recommend the Offer or its commercial merits, which are matters solely for the Board of Directors of the Company. Subsequent developments in the aforementioned conditions may affect this Fairness Opinion and the assumptions made in preparing this Fairness Opinion and Carnegie is not obliged to update, revise or reaffirm this opinion if such conditions change.

In rendering this Fairness Opinion, Carnegie has not provided legal, regulatory, tax, accounting or actuarial advice and accordingly Carnegie does not assume any responsibility or liability in respect thereof. Furthermore, Carnegie has assumed that the Offer will be consummated on the key terms and conditions as set out in the Combination Agreement, without any material changes to, or waiver of, its terms or conditions.

As part of our investment banking activities, Carnegie is continuously engaged in assessing companies and their securities in connection with mergers and take-overs, competing take-over offers and assessments in business-related or other conjunctions. In addition to Carnegie being engaged by the Company to issue a





Fairness Opinion, Carnegie is also acting as financial adviser to the Company in connection with the Offer and will receive fees for the services provided in connection with the Offer, including rendering this Fairness Opinion.

Carnegie and other companies in the Carnegie group provide a broad range of financial advisory services related to securities and may as part of the ordinary trading activities from time to time carry out transactions and own securities, for our own account or the accounts of customers, in Efecte or companies within the same industry as Efecte.

The engagement of Carnegie and the opinion expressed herein are solely for the benefit of the Company's Board of Directors and this Fairness Opinion is therefore only rendered to the Company's Board of Directors in connection with their evaluation of the Offer. This Fairness Opinion does not in any way constitute a recommendation by Carnegie to any Shareholders of Efecte as to whether such holders should accept or reject the Offer or otherwise act in relation to the Offer. The Fairness Opinion is not on behalf of, and shall not give any right or legal remedy to any Shareholder of Efecte or any other person, or to be used for any other purpose. This Fairness Opinion may not be relied upon by, nor be disclosed to, in whole or in part, any third party for any purpose whatsoever without Carnegie's prior written consent, except that (i) a reference to this Fairness Opinion may be included in the release announcing the Offer and (ii) a copy of this Fairness Opinion may be attached in its entirety to the statement of the Board of Directors that will be announced pursuant to the Finnish Securities Market Act and subsequently included in the tender offer document to be prepared in connection with the Offer. This Fairness Opinion is issued in the English language and reliance may only be placed on this Fairness Opinion as issued in the English language. If any translations of this Fairness Opinion are delivered, they are provided only for ease of reference, have no legal effect and Carnegie makes no representation as to (and accepts no liability in respect of) the accuracy of any such translation.

This Fairness Opinion shall be governed by and construed in accordance with the laws of Finland and any claims or disputes arising out of, or in connection with, this letter shall be settled at The Arbitration Institute of the Finland Chamber of Commerce, and the seat of the arbitration shall be Helsinki, Finland. The language of arbitration shall be Finnish or such other language as the parties may agree to in writing. Evidence can be presented in the Finnish or English languages.

**Based upon and subject to the foregoing, Carnegie is of the opinion that, as at the date hereof, the Share Offer Price is, from a financial point of view, fair to the Shareholders of Efecte.**

Yours sincerely,

Carnegie Investment Bank AB, Finland Branch