LISTING PROSPECTUS **19 May 2022**

Lassila & Tikanoja plc

Listing of EUR 75,000,000 Senior Unsecured Sustainability-Linked Fixed Rate Notes Due 2028

The notes are represented by units in denominations of EUR 1,000

On 19 May 2022, Lassila & Tikanoja plc (the "**Company**", the "**Issuer**" or "**Lassila & Tikanoja**") issued senior unsecured sustainability-linked fixed rate notes with a principal amount of EUR 75,000,000 (the "**Notes**") based on the authorisation given by the Issuer's Board of Directors on 26 April 2022. The Notes were offered for subscription in a minimum amount of EUR 100,000 through a book-building procedure that was carried out on 12 May 2022 (the "**Offering**"). The Notes bear interest at the rate of 3.375 per cent per annum. The Notes shall be repaid in full on 19 May 2028, unless the Issuer prepays the Notes in accordance with the terms and conditions of the Notes (the "**Terms and Conditions**"). If the Issuer has met one of the thresholds but not the other threshold under the sustainability performance targets (the "**SPTs**") on the target observation date, the redemption price of the Notes shall be increased by 0.375 per cent, and if the Issuer has met neither of the thresholds under the SPTs on the target observation date, the redemption price of the Notes shall be increased by 0.75 per cent.

The Company will apply for the listing of the Notes on the official list of Nasdaq Helsinki Ltd (the "**Nasdaq Helsinki**"). Public trading in the Notes is expected to commence by the end of May 2022.

This listing prospectus (the "**Listing Prospectus**") contains information on the Issuer, the Offering and the Notes. The Listing Prospectus has been prepared solely for the purpose of admission to listing of the Notes on Nasdaq Helsinki (the "**Listing**") and does not constitute any offering of the Notes.

The validity of the Listing Prospectus expires when the Notes have been admitted to trading on the official list of Nasdaq Helsinki. The obligation to supplement the Listing Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Listing Prospectus is no longer valid.

An investment in the Notes involves certain risks. The summary of certain principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes is presented under "*Risk Factors*". Each investor should carefully review this Listing Prospectus, including the risks involved, prior to making an investment decision.

Neither the Issuer nor the Notes have been assigned any credit ratings at the request or with the co-operation of the Issuer in the rating process.

Besides filing the Listing Prospectus with the Finnish Financial Supervisory Authority (the "**FIN-FSA**") and the application to Nasdaq Helsinki, neither the Company nor the Lead Manager (as defined below) have taken any action, nor will they take any action to render the public offer of the Notes or their possession, or the distribution of the Listing Prospectus or any other documents relating to the Notes admissible in any other jurisdiction than Finland requiring special measures to be taken for the purpose of public offer.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and the Notes may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of any U.S. person (as such terms are defined in Regulation S under the Securities Act).

Lead Manager:

Danske Bank

IMPORTANT INFORMATION

MIFID II product governance / Professional investors, eligible counterparties and retail investors target market: Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

IMPORTANT - EEA RETAIL INVESTORS – The Notes have a fixed interest and the redemption amounts are fixed as described in this Listing Prospectus. Accordingly, no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") has been prepared by the Issuer.

PROHIBITION OF SALES TO UK RETAIL INVESTORS: UK PRIIPS Regulation / UK Investor – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA which were relied on immediately before exit day to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

The Listing Prospectus has been drawn up in accordance with the Regulation (EU) 2017/1129 of the European Parliament and of the Council, as amended (the "**Prospectus Regulation**"), the Finnish Securities Market Act (14.12.2012/746, as amended, the "**Finnish Securities Market Act**"), the Commission Delegated Regulation (EU) 2019/979 of 14 March 2019 (as amended), supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council with regard to regulatory technical standards on key financial information in the summary of a prospectus, the publication and classification of prospectuses, advertisements for securities, supplements to a prospectus, and the notification portal, and repealing Commission Delegated Regulation (EU) No 382/2014 and Commission Delegated Regulation (EU) 2016/301, the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 (as amended) (Annexes 8 and 16) supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the Listing Prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004 and the regulations and guidelines of the FIN-FSA. The Listing Prospectus has approved the FIN-FSA as the competent authority under the Prospectus Regulation. The FIN-FSA has only approved the Listing Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. The approval by the FIN-FSA of the Listing Prospectus shall not be considered as an endorsement of the issuer that is the subject of the Listing Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes. This Listing Prospectus has been drawn up as a simplified prospectus in accordance with Article 14 of the Prospectus Regulation. The record number of the FIN-FSA's approval is FIVA/2022/166.

This Listing Prospectus has been prepared in English only. In accordance with Article 7 of the Prospectus Regulation, a summary has been prepared in English and translated into Finnish. Save for the Company's audited consolidated financial statements as at and for the years ended 31 December 2021 and 2020 incorporated by reference into this Listing Prospectus, no part of has been audited.

In this Listing Prospectus, any reference to the "**Company**", "**Lassila & Tikanoja**" or "**Group**" means Lassila & Tikanoja plc and its subsidiaries on a consolidated basis, except where it is clear from the context that the term means Lassila & Tikanoja plc or a particular subsidiary, and except that references and matters relating to the shares and share capital of the Company or matters of corporate governance shall refer to the shares, share capital and corporate governance of Lassila & Tikanoja plc. All references to the "**Issuer**" refer to Lassila & Tikanoja plc.

This Listing Prospectus should be read in conjunction with all the documents that are incorporated herein by reference. This Listing Prospectus should be read and construed on the basis that such documents are incorporated and form a part of this Listing Prospectus. See "*Information Incorporated by Reference.*"

Danske Bank A/S (the "**Lead Manager**") is acting exclusively for Lassila & Tikanoja as the lead manager of the Offering and Listing and will not be responsible to anyone other than Lassila & Tikanoja for providing the protections afforded to its clients nor giving investment or other advice in relation to the Notes.

Prospective investors should rely solely on the information contained in this Listing Prospectus. Neither Lassila & Tikanoja nor the Lead Manager have authorised anyone to provide any information or give any statements other than those provided in this Listing Prospectus. The Lead Manager assumes no responsibility for the accuracy or completeness of the information in this Listing Prospectus and, accordingly, disclaims to the fullest extent permitted by law, any and all liability which it might otherwise be found to have in respect of this Listing Prospectus or any such statement. Delivery of the Listing Prospectus shall not, under any circumstances, indicate that the information presented in the Listing Prospectus is correct on any day other than the date of the Listing Prospectus (excluding historical financial information), or that there would not be any changes in the business of Lassila & Tikanoja after the date of the Listing Prospectus. However, if a fault or omission is discovered in the Listing Prospectus before the admission of the Notes for listing on Nasdaq Helsinki and such fault or omission may be of material importance to investors, the Listing Prospectus shall be supplemented in accordance with the Prospectus Regulation. Information given in the Listing Prospectus is not a guarantee or grant for future events by Lassila & Tikanoja and shall not be considered as such. Unless otherwise stated, any estimates with respect to market development relating to Lassila & Tikanoja or its industry are based upon the reasonable estimates of the Company's management. Neither Lassila & Tikanoja, nor the Lead Manager nor any of their respective affiliated parties or representatives, consents to the use of this Listing Prospectus for the making of any new offer or intermediation of the Notes to the final investors, and hence no investor may rely on this Listing Prospectus in making such a new offer or intermediation of the Notes.

In making an investment decision, each investor should rely on their examination, analysis and enquiry of Lassila & Tikanoja and the Terms and Conditions, including the risks and merits involved. Neither Lassila & Tikanoja, nor the Lead Manager nor any of their respective affiliated parties or representatives, is making any representation to any offeree or subscriber of the Notes regarding the legality of the investment by such person. Each reader of this Listing Prospectus should make an independent assessment of the legal, tax, business, financial and other consequences of an investment in the Notes.

This Listing Prospectus has been prepared solely in connection with the listing of the Notes on Nasdaq Helsinki. It does not constitute an offer of securities for sale, or a solicitation of an offer to buy any securities, anywhere in the world.

The distribution of the Listing Prospectus and the offer and sale of the Notes in certain jurisdictions may be restricted by law and this Listing Prospectus may not be used for the purpose of, or in connection with, any offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. This Listing Prospectus may not be distributed in the United States, Australia, Canada, Hong Kong, Japan or Singapore or such other countries or otherwise in such circumstances in which the offering of the Notes would be unlawful or require measures other than those required under the laws of Finland. This Listing Prospectus does not constitute an offer of, or an invitation to purchase, the Notes in any jurisdiction in which such offer or invitation would be unlawful. No offer is being made hereby to persons whose participation in the Offering requires any additional prospectus or registration. None of the Company, the Lead Manager or any of their respective affiliates or representatives accepts any legal responsibility for any such violations by any person or entity, whether or not a prospective purchaser of Notes, and whether or not the person or entity is aware of such restrictions.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and the Notes may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of any U.S. person (as such terms are defined in Regulation S under the Securities Act).

The Notes are governed by Finnish law. Any dispute arising in relation to the Notes shall be settled exclusively by Finnish courts in accordance with Finnish law.

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SUMMARY

Introduction and Warnings

This summary contains all the sections required by the Prospectus Regulation to be included in a summary for this type of securities and issuer. This summary should be read as an introduction to this Listing Prospectus. Any decision to invest in the securities should be based on consideration of this Listing Prospectus as a whole by the investor.

An investor investing in the securities could lose all or part of the invested capital. Where a claim relating to the information contained in this Listing Prospectus is brought before a court, the plaintiff investor might, under applicable law, have to bear the costs of translating this Listing Prospectus before legal proceedings are initiated. Lassila & Tikanoja assumes civil liability in respect of this summary including translation thereof only if it is misleading, inaccurate or inconsistent, when read together with the other parts of this Listing Prospectus, or where it does not provide, when read together with the other parts of the Listing Prospectus, key information in order to aid investors when considering whether to invest in the securities.

The contact details of the Issuer are as follows:

Issuer:	Lassila & Tikanoja plc
Address:	Valimotie 27, FI-00380, Helsinki, Finland
Telephone:	+358 10 636 111
Business code:	1680140-0
Legal entity identifier (the "**LEI code**"):	743700Z9Z54VGHZA0028

The details of the Notes are as follows:

ISIN:	FI4000523022
Name:	LATJ0337528

This Listing Prospectus has been approved by the FIN-FSA as the competent authority under the Prospectus Regulation on 19 May 2022.

The identity and contact details of the competent authority, the FIN-FSA, approving the Listing Prospectus are as follows:

Authority:	Financial Supervisory Authority
Address:	P.O. Box 103, FI-00101 Helsinki, Finland
Telephone:	+358 9183 51
Email address:	kirjaamo@finanssivalvonta.fi

Key Information on the Issuer

Who Is the Issuer of the Securities?

General

The commercial and legal name of the Issuer is Lassila & Tikanoja plc, and it is domiciled in Helsinki, Finland. The Issuer is registered with the Finnish Trade Register under business identity code 1680140-0 and LEI code 743700Z9Z54VGHZA0028. The Issuer is a public limited liability company incorporated in Finland and operating under Finnish law.

Principal Activities

Lassila & Tikanoja is a Finnish service company with a mission to make the circular economy a reality. Lassila & Tikanoja creates solutions for mitigating climate change and biodiversity loss, and promotes the transition to a circular economy. Lassila & Tikanoja's customer base consists of private customers, corporate customers and public-sector operators. Together with its customers, Lassila & Tikanoja aims to keep materials and properties in productive use for as long as possible and increases the efficiency of the use of raw materials and energy. By investing in sustainable circular economy solutions, the Company creates value for its customers, personnel, the society in general, as well as for its shareholders. The Company's business operations are divided into four divisions: Environmental Services, Industrial Services, Facility Services Finland, and Facility Services Sweden.

Major Shareholders

As at the date of this Listing Prospectus, to the extent known to the Issuer, the Issuer is not directly or indirectly owned or controlled by any person for the purposes of Chapter 2, Section 4 of the Finnish Securities Markets Act (749/2012, as amended) and the Issuer is not aware of any arrangement related to the Issuer's ownership the operation of which may result in a change of control of the Issuer.

The following table sets forth the ten largest holders of the Issuer's issued and outstanding shares pursuant to the shareholders register maintained by Euroclear Finland Ltd ("**Euroclear Finland**") as at 30 April 2022:

Shareholder	**Number of Shares**	**Proportion of shares and votes (per cent)**
Evald and Hilda Nissi's Foundation	3,057,902	7.88
Mandatum Life Insurance Company Limited	3,029,147	7.81
Nordea Funds Ltd(1	1,727,566	4.45
Maijala Juhani	1,529,994	3.94
Åbo Akademi University Foundation	1,066,282	2.75
Bergholm Heikki	835,178	2.15
Ilmarinen Mutual Pension Insurance Company	790,000	2.04
Varma Mutual Pension Insurance Company	729,791	1.88
Maijala Mikko	720,000	1.86
Elo Mutual Pension Insurance Company	572,738	1.48
Ten largest in total	**14,058,598**	**36.23**
Other shares	**24,740,276**	**63.77**
Of which nominee registered	3,127,719	12.64
All shares	**38,798,874**	**100.00 per cent**

1) Ownership through Nordea Nordic Small Cap Fund, Nordea Premium Asset Management Balanced Fund, Nordea Premium Asset Management Moderate Fund, Nordea Savings 50 Fund, Nordea Savings 30 Fund, Nordea Savings 75 Fund, and Nordea Premium Asset Management Growth Fund.

Key Managing Directors and Statutory Auditor

As at the date of this Listing Prospectus, the members of the Board of Directors of the Issuer are Jukka Leinonen, Sakari Lassila, Teemu Kangas-Kärki, Laura Lares, Laura Tarkka and Pasi Tolppanen.

As at the date of this Listing Prospectus, the members of the Group Executive Board of the Issuer are Eero Hautaniemi, Sirpa Huopalainen, Jorma Mikkonen, Antti Niitynpää, Valtteri Palin, Hilppa Rautpalo, Petri Salermo and Tina Hellstadius.

As at the date of this Listing Prospectus, the Issuer's statutory auditor is PricewaterhouseCoopers Oy, with Authorised Public Accountant Samuli Perälä as the auditor with principal responsibility. Samuli Perälä is registered in the Finnish Register of Auditors pursuant to Chapter 6, Section 9 of the Finnish Auditing Act (1141/2015, as amended, the "**Finnish Auditing Act**") maintained by the Finnish Trade Register. The business address of the principal auditor and PricewaterhouseCoopers Oy is Itämerentori 2, FI-00180 Helsinki, Finland. The consolidated financial statements of the Company for the years ended 31 December 2021 and 2020 incorporated into this Listing Prospectus by reference have been audited by KPMG Oy Ab, under the supervision of principal auditor Leenakaisa Winberg.

What Is the Key Financial Information Regarding the Issuer?

The selected historical key financial information presented below has been derived from Lassila & Tikanoja's unaudited consolidated interim report as at and for the three months ended 31 March 2022, including the comparative figures as at and for the three months ended 31 March 2021, and the audited consolidated financial statements as at and for the year ended 31 December 2021, including the comparative figures as at and for the year ended 31 December 2020.

The following table sets forth the key figures of Lassila & Tikanoja for the dates and periods indicated

(EUR million, unless otherwise indicated)	As at and for the three months ended 31 March 2022	2021	As at and for the year ended 31 December 2021	2020
	(unaudited)		(audited, unless otherwise indicated)	
KEY FIGURES				
Operating profit	-0.3	3.7	42.2	28.2
Net interest-bearing liabilities	198.5	151.7	167.1[1]	136.5[1]
Gearing, per cent	103.3	84.9	79.4[1]	70.9[1]
Net cash flow from operating activities	13.9	13.5	65.6	83.0
Net cash used in investing activities	-19.8	-9.2	-63.9	-39.0
Net cash flow from financing activities	-0.3	-21.6	-23.4	-36.2

1) Unaudited

What Are the Key Risks That Are Specific to the Issuer?

- The war in Ukraine and other geopolitical tensions may adversely affect Lassila & Tikanoja's business, financial position, results of operations;
- The COVID-19 pandemic and other similar phenomena as well as their effects on the global markets and general economic situation may have an adverse effect on Lassila & Tikanoja's operations;
- The markets in which Lassila & Tikanoja operates are highly competitive, and increased competition or failure to react to changes in the competitive landscape could cause Lassila & Tikanoja to lose market share;
- Changes in applicable laws and regulations or political decisions could have a material adverse effect on Lassila & Tikanoja's operations and sustainability performance;
- Significant fluctuations in the prices of raw materials could have a material adverse effect on Lassila & Tikanoja's profitability;
- Municipalisation may limit Lassila & Tikanoja's ability to offer its services, which may have a negative impact on Lassila & Tikanoja's business operations and profitability;
- Changes in the market position of existing customers may have an adverse effect on Lassila & Tikanoja's demand;
- Lassila & Tikanoja may not be able to attract and retain appropriately skilled management and personnel, which may adversely affect its operations;
- Lassila & Tikanoja may be exposed to liability due to environmental damage, which may result in significant expenses and reputational damage; and
- Lassila & Tikanoja may not receive financing at competitive terms or at all and may not be able to fulfil its obligations under its financing arrangements.

Key Information on the Securities

What Are the Main Features of the Securities?

The Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer ranking *pari passu* among each other and at least *pari passu* with all other unsecured, unguaranteed and unsubordinated indebtedness of the Issuer, save for such obligations as may be preferred by mandatory provisions of law. Therefore, the holders of the Notes (the "**Noteholders**") would be unsecured creditors in the event of the Issuer's bankruptcy, reorganisation or winding. The Notes are dematerialised securities registered in the Finnish book-entry system maintained by Euroclear Finland. The ISIN of the Notes is FI4000523022. The currency of the Notes is the euro. The Notes were issued in denominations of EUR 1,000 and the aggregate principal amount of the issued Notes is EUR 75,000,000. The number of issued Notes is 75,000.

The Notes bear interest at the rate of 3.375 per cent per annum. Interest on the Notes will be paid annually in arrears commencing on 19 May 2023 and thereafter on each 19 May until the Redemption Date. Interest shall accrue for each interest period from and including the first day of the interest period to and excluding the last day of the interest period on the principal amount of Notes outstanding from time to time. The first interest period commences on (and includes) the Issue Date (as defined in the Terms and Conditions) and ends on (but excludes) the first Interest Payment Date (as defined in the Terms and Conditions). Each consecutive interest period begins on (and includes) the previous Interest Payment Date and ends on (but excludes) the following Interest Payment Date. The last interest period ends on the Redemption Date. The Noteholders have the right to attend the noteholders' meeting or participate in the written procedure.

The Notes shall be repaid in full on 19 May 2028, unless the Issuer prepays the Notes in accordance with the Terms and Conditions. If the Issuer has met one of the thresholds but not the other threshold under the Sustainability Targets on the target observation date, the redemption price of the Notes shall be increased by 0.375 per cent, and if the Issuer has met neither of the thresholds under the SPTs on the target observation date, the redemption price of the Notes shall be increased by 0.75 per cent.

Each Note will be freely transferable after it has been registered into the respective book-entry account.

Where Will the Securities Be Traded?

Application will be made to have the Notes listed on the main list of Nasdaq Helsinki.

What Are the Key Risks That Are Specific to the Securities?

- Investors are exposed to credit risk in respect of the Issuer and investors may lose their investment in the Notes;
- The Notes constitute unsecured obligations of the Issuer;
- Neither the Issuer nor the Notes are currently rated by any rating agency;
- The Notes may not meet investors' expectations or requirements related to sustainability; and
- Since the Notes bear a fixed interest rate, movements in market interest rates can adversely affect the value of the Notes.

Key Information on the Offer of Securities to the Public and Admission to Trading on a Regulated Market

Under Which Conditions and Timetable Can I Invest in This Security?

The Notes were offered for subscription through a book-building procedure in a minimum amount of EUR 100,000 that was carried out on 12 May 2022. The Notes were not, and will not be, offered to the public. The Notes were issued on 19 May 2022. An application will be made for the Notes to be admitted to trading on the official list of Nasdaq Helsinki, and the Listing is expected to take place by the end of May 2022.

The Notes may be registered on behalf of the Noteholders on book-entry accounts and transfers of Notes may only be effected through, and title thereto will only pass upon, registration and transfer in such book-entry accounts.

In connection with the Offering and the Listing, the Issuer expects to pay approximately a total of EUR 0.35 million in fees and expenses. No fees or other payments will be charged to the investor by the Issuer. Account operators may charge fees in accordance with their price lists for the subscription and opening and maintaining of the book-entry account or other custody system and for custody of the Notes.

Why Is This Listing Prospectus Being Produced?

This Prospectus is being produced for the listing of the Notes. Furthermore, this Listing Prospectus is being produced in order to enable further financing, to meet the existing and future financing requirements of the Issuer and to lengthen the maturity of the Issuer's loan portfolio. The aggregate net proceeds to the Issuer from the Offering, after deduction of the fees and expenses payable by the Issuer, will be approximately EUR 74.6 million.

The Issuer shall use the proceeds from the issue of the Notes, less costs and expenses incurred by the Issuer in connection with the issue of the Notes, for the repurchase of the 2023 Notes (as defined below) and for general corporate purposes.

Material Interests

The interests of the Lead Manager are normal business interests in the financial markets. In addition, the Lead Manager has granted Lassila & Tikanoja a revolving credit facility in the amount of EUR 40 million.

TIIVISTELMÄ

Johdanto ja varoitukset

*Tämä tiivistelmä sisältää kaikki ne osiot, jotka kyseessä olevasta arvopaperista ja sen liikkeeseenlaskijasta tulee esittää Euroopan parlamentin ja neuvoston asetuksen (EU) 2017/1129 (“**Esiteasetus**”) mukaisesti. Tätä tiivistelmää tulee lukea Listalleottoesitteen johdantona. Sijoittajan tulee perustaa päätöksensä sijoittaa arvopapereihin Listalleottoesitteeseen kokonaisuutena.*

Arvopapereihin sijoittava sijoittaja voi menettää kaiken tai osan sijoitetusta pääomasta. Jos tuomioistuimessa pannaan vireille Listalleottoesitteeseen sisältyviä tietoja koskeva kanne, kantajana toimiva sijoittaja voi sovellettavan lainsäädännön mukaan joutua ennen oikeudenkäynnin vireillepanoa vastaamaan Listalleottoesitteen käännöskustannuksista. Lassila & Tikanoja vastaa siviilioikeudellisesti tästä tiivistelmästä vain, jos tiivistelmä luettuna yhdessä Listalleottoesitteen muiden osien kanssa on harhaanjohtava, epätarkka tai epäjohdonmukainen tai jos tiivistelmässä ei luettuna yhdessä Listalleottoesitteen muiden osien kanssa anneta keskeisiä tietoja sijoittajien auttamiseksi, kun he harkitsevat sijoittamista arvopapereihin.

Liikkeeseenlaskijan yhteystiedot ovat seuraavat:

Liikkeeseenlaskijan nimi:	Lassila & Tikanoja Oyj
Osoite:	Valimotie 27, 00380, Helsinki
Puhelinnumero:	+358 10 636 111
Yritys- ja yhteisötunnus:	1680140-0
Oikeushenkilötunnus (“**LEI-tunnus**”):	743700Z9Z54VGHZA0028

Arvopaperia koskevat tiedot ovat seuraavat:

ISIN:	FI4000523022
Arvopaperin nimi:	LATJ0337528

Finanssivalvonta on toimivaltaisena viranomaisena hyväksynyt tämän Listalleottoesitteen Esiteasetuksen mukaisesti 19.5.2022.

Toimivaltaisen viranomaisen eli Finanssivalvonnan, joka hyväksyy tämän Listalleottoesitteen, yhteystiedot ovat seuraavat:

Viranomainen:	Finanssivalvonta
Osoite:	PL 103, 00101 Helsinki
Puhelinnumero:	+358 9183 51
Sähköpostiosoite:	kirjaamo@finanssivalvonta.fi

Keskeisiä tietoja liikkeeseenlaskijasta

Kuka on arvopapereiden liikkeeseenlaskija?

Yleistä

Liikkeeseenlaskijan rekisteröity toiminimi on Lassila & Tikanoja Oyj (”**Liikkeeseenlaskija**”) ja sen kotipaikka on Helsinki. Liikkeeseenlaskija on rekisteröity Patentti- ja rekisterihallituksen ylläpitämään kaupparekisteriin y-tunnuksella 1680140-0 ja LEI-tunnuksella 743700Z9Z54VGHZA0028. Liikkeeseenlaskija on julkinen osakeyhtiö, joka on perustettu Suomessa ja siihen sovelletaan Suomen lakia.

Pääasiallinen toiminta

Lassila & Tikanoja on suomalainen palveluyritys, jonka aikomuksena on tehdä kiertotaloudesta totta. Lassila & Tikanoja luo ratkaisuja ilmastonmuutoksen ja luontokadon torjuntaan ja edistää siirtymistä kiertotalouteen. Lassila & Tikanojan asiakaskunta koostuu yksityisasiakkaista, yritysasiakkaista ja julkisen sektorin toimijoista. Lassila & Tikanoja pyrkii yhdessä asiakkaidensa kanssa pitämään materiaalit ja kiinteistöt mahdollisimman pitkään tuottavassa käytössä sekä tehostamaan raaka-aineiden ja energian käyttöä. Panostamalla vastuullisiin kiertotalouden ratkaisuihin, Yhtiö luo arvoa asiakkailleen, henkilöstölleen ja yhteiskunnalle laajemmin sekä osakkeenomistajilleen. Yhtiön liiketoiminta on jaettu neljään toimialaan: Ympäristöpalvelut, Teollisuuspalvelut, Kiinteistöpalvelut Suomi ja Kiinteistöpalvelut Ruotsi.

Suurimmat osakkeenomistajat

Tämän Listalleottoesitteen päivämääränä Liikkeeseenlaskijan tiedossa ei ole osakkeenomistajia, jotka suoraan tai välillisesti omistaisivat tai joilla olisi arvopaperimarkkinalain (746/2012, muutoksineen) 2 luvun 4 §:n mukainen määräysvalta Liikkeeseenlaskijassa eikä Liikkeeseenlaskija ole tietoinen järjestelyistä, jotka voisivat johtaa määräysvallan muuttumiseen Liikkeeseenlaskijassa.

Alla olevassa taulukossa on esitetty Lassila & Tikanojan liikkeeseen laskettujen ja ulkona olevien osakkeiden kymmenen suurinta osakkeenomistajaa, jotka ovat merkittynä Euroclear Finlandin ylläpitämään osakasluetteloon 30.4.2022:

Osakkeenomistaja	**Osakemäärä**	**Osuus osakkeista ja äänistä (prosenttia)**
Evald ja Hilda Nissin Säätiö	3 057 902	7,88
Mandatum Henkivakuutusosakeyhtiö	3 029 147	7,81
Nordea Funds Ltd[(1]	1 727 566	4,45
Maijala Juhani	1 529 994	3,94
Stiftelsen för Åbo Akademi	1 066 282	2,75
Bergholm Heikki	835 178	2,15
Keskinäinen Eläkevakuutusyhtiö Ilmarinen	790 000	2,04
Keskinäinen Työeläkevakuutusyhtiö Varma	729 791	1,88
Maijala Mikko	720 000	1,86
Keskinäinen Työeläkevakuutusyhtiö Elo	572 738	1,48
10 suurinta yhteensä	**14 058 598**	**36,23**
Muut	**24 740 276**	**63,77**
Joista hallintarekisteröityjä	3 127 719	12,64
Yhteensä	**38 798 874**	**100,00 prosenttia**

1) Omistus Sijoitusrahasto Nordea Nordic Small Capin, Sijoitusrahasto Nordea Premium Varainhoito Tasapainon, Sijoitusrahasto Nordea Premium Varainhoito Maltin, Nordea Säästö 50:n, Sijoitusrahasto Nordea Säästö 30:n, Nordea Säästö 75:n, ja Nordea Premium Varainhoito Kasvun kautta.

Johdon avainhenkilöt ja tilintarkastaja

Tämän Listalleottoesitteen päivämääränä Liikkeeseenlaskijan hallitukseen kuuluvat Jukka Leinonen, Sakari Lassila, Teemu Kangas-Kärki, Laura Lares, Laura Tarkka ja Pasi Tolppanen.

Tämän Listalleottositteen päivämääränä, yhtiön johtoryhmään kuuluvat Eero Hautaniemi, Sirpa Huopalainen, Jorma Mikkonen, Antti Niitynpää, Valtteri Palin, Hilppa Rautpalo, Petri Salermo ja Tina Hellstadius.

Tämän Listalleottoesitteen päivämääränä Liikkeeseenlaskijan lakisääteinen tilintarkastaja on tilintarkastusyhteisö PricewaterhouseCoopers Oy KHT Samuli Perälän toimiessa päävastuullisena tilintarkastajana. Samuli Perälä on merkitty kaupparekisterin ylläpitämään tilintarkastuslain (1141/2015, muutoksineen) 6 luvun 9 §:n mukaiseen tilintarkastajarekisteriin. Lakisääteinen tilintarkastaja PricewaterhouseCoopers Oy:n osoite on Itämerentori 2, 00180 Helsinki. Liikkeeseenlaskijan tähän Listalleottoesitteeseen viittaamalla sisällytetyt konsernitilinpäätökset 31.12.2021 ja 31.12.2020 päättyneiltä tilikausilta on tilintarkastanut tilintarkastusyhteisö KPMG Oy Ab, KHT Leenakaisa Winberg päävastuullisena tilintarkastajana.

Mitä ovat liikkeeseenlaskijaa koskevat keskeiset taloudelliset tiedot?

Alla esitettävät valikoidut historialliset keskeiset taloudelliset tiedot ovat peräisin Lassila & Tikanojan tilintarkastamattomasta konsolidoidusta osavuosikatsauksesta 31.3.2022 päättyneeltä kolmen kuukauden jaksolta sisältäen vertailutiedot 31.3.2021 päättyneeltä kolmen kuukauden ajanjaksolta sekä tilintarkastetusta konsernitilinpäätöksestä 31.12.2021 päättyneeltä tilikaudelta sisältäen vertailutiedot 31.12.2020 päättyneeltä tilikaudelta.

	31.3 ja 1.1.–31.3		**31.12 ja 1.1.–31.12**	
	2022	**2021**	**2021**	**2020**
(miljoona euroa, ellei toisin ilmoitettu)	**(tilintarkastamaton)**		**(tilintarkastatettu, ellei toisin ilmoitettu)**	
TALOUDELLISET TUNNUSLUVUT				
Liikevoitto	-0,3	3,7	42,2	28,2
Korolliset nettovelat	198,5	151,7	167,1[1]	136,5[1]
Nettovelkaantumisaste, prosenttia	103,3	84,9	79,4[1]	70,9[1]
Liiketoiminnan nettorahavirta	13,9	13,5	65,6	83,0
Investointien nettorahavirta	-19,8	-9,2	-63,9	-39,0
Rahoituksen nettorahavirta	-0,3	-21,6	-23,4	-36,2

1) Tilintarkastamaton.

Mitkä ovat liikkeeseenlaskijaan liittyvät olennaiset riskit?

- Ukrainan sota ja muut geopoliittiset jännitteet voivat vaikuttaa haitallisesti Lassila & Tikanojan liiketoimintaan, taloudelliseen asemaan ja liiketoiminnan tulokseen;
- COVID-19-pandemialla tai muilla vastaavilla ilmiöillä ja niiden vaikutuksilla globaaleihin markkinoihin tai yleiseen taloudelliseen asemaan saattaa olla haitallisia vaikutuksia Lassila & Tikanojan toiminnalle;
- Lassila & Tikanoja toimii markkinoilla, joissa on kova kilpailu, ja kilpailun lisääntyminen tai epäonnistuminen kilpailuasetelman muutoksiin reagoimisessa voi johtaa Lassila & Tikanojan markkinaosuuden pienenemiseen;
- Soveltuvan lainsäädännön ja määräysten muutoksilla tai poliittisilla päätöksillä voi olla olennaisen haitallinen vaikutus Lassila & Tikanojan toimintaan ja vastuullisuustavoitteiden saavuttamiseen;
- Merkittävät muutokset raaka-aineiden hinnoissa voivat vaikuttaa olennaisen haitallisesti Lassila & Tikanojan kannattavuuteen;
- Kunnallistaminen voi rajoittaa Lassila & Tikanojan mahdollisuuksia tarjota palveluitaan ja vaikuttaa negatiivisesti Lassila & Tikanojan liiketoimintaan ja kannattavuuteen;
- Muutokset olemassa olevien asiakkaiden markkina-asemassa voivat vaikuttaa Lassila & Tikanojan kysyntään;
- Lassila & Tikanoja ei välttämättä kykene houkuttelemaan ja pitämään oikeanlaista ammattitaitoa omaavaa johtoa ja henkilöstöä, mikä voi vaikuttaa haitallisesti sen toimintaan;
- Lassila & Tikanojaan voi joutua vastuuseen ympäristövahingoista, mikä voi johtaa merkittäviin kustannuksiin ja vahingoittaa sen mainetta; ja
- Lassila & Tikanoja ei välttämättä saa rahoitusta kilpailukykyisin ehdoin tai ollenkaan eikä välttämättä pysty täyttämään rahoitusjärjestelyihin perustuvia velvoitteitaan.

Keskeiset tiedot arvopapereista

Mitkä ovat arvopapereiden keskeiset ominaisuudet?

Velkakirjat ovat Liikkeeseenlaskijan suoria, ehdottomia, vakuudettomia ja toissijaisia velvoitteita, jotka ovat keskenään samanarvoisia ja etuoikeusjärjestyksessä vähintään samalla sijalla liikkeeseenlaskijan kaikkien muiden vakuudettomien, takaamattomien ja toissijaisten velvoitteiden kanssa, lukuun ottamatta sellaisia velvoitteita, jotka voivat olla etusijalla liikkeeseenlaskijan pakottavan lainsäädännön nojalla. Näin ollen Velkakirjan haltijat olisivat vakuudettomia velkojia, mikäli Liikkeeseenlaskija asetettaisiin tai määrättäisiin selvitystilaan, konkurssiin tai yrityssaneeraukseen. Velkakirjat on rekisteröity Euroclear Finlandin ylläpitämään suomalaiseen arvo-osuusjärjestelmään, eikä niistä anneta fyysisiä velkakirjoja. Velkakirjojen ISIN-tunnus on FI4000523022. Velkakirjojen valuutta on euro. Velkakirjoja lasketaan liikkeeseen 1 000 euron määräisinä ja liikkeeseen laskettujen Velkakirjojen yhteenlaskettu nimellisarvo on 75 000 000 euroa. Liikkeeseen laskettuja Velkakirjoja on yhteensä 75 000 kappaletta.

Velkakirjoille maksetaan 3,375 prosentin vuotuista korkoa. Velkakirjalle maksetaan korkoa vuosittain takautuvasti 19.5.2023 alkaen ja sen jälkeen jokaisena 19.5. Lunastuspäivään asti. Kulloinkin maksamatta olevalle pääomalle kertyy korkoa korkokauden ensimmäisestä päivästä lukien korkokauden viimeiseen päivään asti viimeinen päivä pois lukien. Ensimmäinen korkokausi alkaa Liikkeeseenlaskupäivänä (määriteltynä ehdoissa) (Liikkeeseenlaskupäivä mukaan lukien) ja päättyy ensimmäisenä Koronmaksupäivänä (määritelty ehdoissa) (Koronmaksupäivä pois lukien). Kukin seuraava korkokausi alkaa edeltävänä Koronmaksupäivänä (Koronmaksupäivä mukaan lukien) ja päättyy seuraavana Koronmaksupäivänä (Koronmaksupäivä pois lukien). Viimeinen korkokausi päättyy Takaisinmaksupäivänä. Velkakirjojen haltijoilla on oikeus osallistua velkakirjanhaltijoiden kokoukseen tai kirjalliseen menettelyyn.

Velkakirjat maksetaan takaisin kokonaisuudessaan 19.5.2028, ellei Liikkeeseenlaskija maksa Velkakirjoja etukäteen Ehtojen mukaisesti. Jos Liikkeeseenlaskija on tavoitetarkkailupäivänä saavuttanut yhden kestävyystavoitteiden kynnysarvoista, mutta ei toista kynnysarvoa, Joukkovelkakirjojen lunastushintaa korotetaan 0,375 prosentilla, ja jos Liikkeeseenlaskija ei ole saavuttanut kumpaakaan kestävyystavoitteiden mukaista kynnysarvoa, Tavoitetarkkailupäivänä, Velkakirjojen lunastushintaa korotetaan 0,75 prosenttia.

Velkakirjat ovat vapaasti vaihdettavissa sen jälkeen, kun ne ovat rekisteröity arvo-osuustilille.

Missä arvopapereilla tullaan käymään kauppaa?

Velkakirjojen ottamisesta kaupankäynnin kohteeksi pörssilistalle jätetään hakemus Nasdaq Helsinki Oy:lle.

Mitkä ovat arvopapereihin liittyvät keskeiset riskit?

- Sijoittajiin kohdistuu Liikkeeseenlaskijaan liittyvä luottoriski ja sijoittajat voivat menettää sijoituksensa Velkakirjoihin;
- Velkakirjat ovat Liikkeeseenlaskijan vakuudettomia velvoitteita;
- Liikkeeseenlaskijalla tai Velkakirjalainalla ei ole minkään rating-yhtiön luottoluokitusta;
- Velkakirjat eivät välttämättä täytä sijoittajien odotuksia tai kestävään kehitykseen liittyviä vaatimuksia; ja
- Koska Velkakirjat kerryttävät kiinteää korkoa, markkinakorkojen muutoksilla voi olla haitallinen vaikutus Velkakirjojen arvoon.

Keskeiset tiedot arvopapereiden yleisölle tarjoamisesta ja kaupankäynnin kohteeksi ottamisesta

Mitkä ovat arvopaperiin sijoittamisen edellytykset ja aikataulu?

Velkakirjat tarjottiin merkittäväksi book-building-menettelyssä 12.5.2022, ja vähimmäismerkintänä oli 100 000 euroa. Velkakirjoja ei ole tarjottu, eikä tulla tarjoamaan, yleisölle. Velkakirjat laskettiin liikkeeseen 19.5.2022. Velkakirjojen ottamisesta kaupankäynnin kohteeksi Nasdaq Helsingin päälistalle jätetään hakemus, ja Nasdaq Helsingin odotetaan ottavan Velkakirjat kaupankäynninkohteeksi toukokuun 2022 loppuun mennessä.

Velkakirjat voidaan rekisteröidä haltijan nimiin arvo-osuustilille ja Velkakirjat ja niiden omistusoikeus on siirrettävissä ja omistusoikeus merkittävissä vain arvo-osuustilin kautta.

Liikkeeseenlaskijan arvio sille Velkakirjojen liikkeeseenlaskusta ja listalleotosta aiheutuvista kustannuksista on yhteensä noin 0,35 miljoonaa euroa. Liikkeeseenlaskija ei veloita palkkioita tai muita maksuja sijoittajalta. Tilinhoitajayhteisöt voivat veloittaa oman hinnoittelunsa mukaisia palkkioita merkinnästä, tilien avaamisesta, tilien ylläpitämisestä tai muista Velkakirjojen hallintaan liittyvistä järjestelyistä.

Miksi tämä Listalleottoesite on laadittu?

Tämä Listalleottoesite on laadittu Velkakirjojen listalleottoa varten. Lisäksi tämä Listalleottoesite on laadittu Liikkeeseenlaskijan lisärahoituksen ja nykyisten ja tulevien rahoitustarpeiden mahdollistamiseksi sekä Liikkeeseenlaskijan lainaportfolion maturiteetin pidentämiseksi. Liikkeeseenlaskijan arvio liikkeeseenlaskusta kerättävien varojen nettomäärästä, kulujen ja palkkioiden vähennysten jälkeen, on noin 74,6 miljoonaa euroa.

Liikkeeseenlaskija käyttää Velkakirjojen liikkeeseenlaskusta saamansa varat Liikkeeseenlaskijalle Velkakirjojen liikkeeseenlaskuun liittyvien kustannusten ja kulujen vähentämisen jälkeen, vuoden 2023 Velkakirjojen takaisinostoon (määritelty jäljempänä) sekä yleisiin rahoitustarpeisiin.

Olennaiset intressit

Pääjärjestäjän intressit ovat tavanomaiset liiketaloudelliset intressit rahoitusmarkkinoilla. Pääjärjestäjä on myös myöntänyt Lassila & Tikanojalle 40 miljoonan euron valmiusluoton.

RISK FACTORS

Investors considering investment in the Notes should carefully review the information contained in this Listing Prospectus and, in particular, the risk factors described below. Factors possibly affecting the investment decision are also discussed elsewhere in this Listing Prospectus. Should one or more of the risks described herein, or any other risk, materialise, it may have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes. This description is based on information known and assessed at the time of preparing this Listing Prospectus, and, therefore, the description of the risk factors is not necessarily exhaustive. In addition, Lassila & Tikanoja faces additional risks not currently known or not currently deemed material, which could also have a material adverse effect on Lassila & Tikanojas's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes. All investors should make their own evaluations of the risks associated with an investment in the Notes and consult their own professional advisers if considered necessary.

The risk factors are presented below in the following five categories:

A. Risks Relating to Lassila & Tikanoja's Operating Environment;

B. Risks Relating to Lassila & Tikanoja's Business;

C. Risks Relating to Lassila & Tikanoja's Financing;

D. Risks Relating to the Notes as a Debt Instrument; and

E. Risks Relating to the Terms and Conditions of the Notes.

Within each category, the risk factor estimated to be the most material on the basis of an overall evaluation, taking into account the negative impact on the Company and the probability of their occurrence, is presented first. However, the order in which the risk factors are presented after the first risk factor in each category is not intended to reflect either the relative probability or the potential impact of their materialisation.

The capitalised words and expressions in this section shall have the meanings defined in the section "Terms and Conditions of the Notes".

A. Risks relating to Lassila & Tikanoja's Operating Environment

The war in Ukraine and other geopolitical tensions may adversely affect Lassila & Tikanoja's business, financial position, results of operations

As at the date of this Listing Prospectus, Ukraine is at war with Russia. As a response, a wide array of economic and other limiting sanctions have been imposed on Russia. The sanctions and countersanctions and export limitations imposed by Russia have considerably altered the import-export relations between Russia and the European Union ("**EU**"), reducing flow of goods and capital in and out of Russia. In addition, the price of oil has increased significantly, which will likely have an adverse effect on Lassila & Tikanoja's production costs. See also "*–Significant fluctuations in the prices of raw materials could have a material adverse effect on Lassila & Tikanoja's profitability*" below. As at the date of this Listing Prospectus, the full financial ramifications cannot be accurately estimated as new events of the war unfold daily. The effects of the war on Lassila & Tikanoja's operations are mostly indirect, resulting from the impacts on overall economic activity in Finland and Sweden as well as the rise of fuel prices.

Global economic conditions have in recent years been, and are likely to continue to be, affected by concerns over similar increased geopolitical tensions, as well as other global phenomenon that are beyond Lassila & Tikanoja's control. In addition, any restrictions on free trade, such as customs, import taxes or other forms of increased protectionism or even forms of trade war, could adversely affect global trade and the global economy and could, therefore, have an adverse effect on the Lassila & Tikanoja's business operations.

It is difficult to make predictions as to how the market conditions will develop, as the market is impacted by macro movements of the financial markets, such as changes in the interest rates, inflation rates and unemployment rates, which could affect the cost of funding as well as goods and services and general availability of employees, and many other factors, including the measures taken by various governmental policies, over which Lassila & Tikanoja has no control. Materialisation of any of the above risks could have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects and thereby, on Lassila & Tikanoja's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

The COVID-19 pandemic and other similar phenomena as well as their effects on the global markets and general economic situation may have an adverse effect on Lassila & Tikanoja's operations

The ongoing coronavirus ("**COVID-19**") pandemic has caused and may continue to cause a general reduction in business activity and financial transactions, lockdowns, quarantines, increased sick days, labour shortages, supply chain interruptions and overall economic and financial market instability. Although the COVID-19 pandemic's effect on Lassila & Tikanoja's own operations has been limited and mostly related to human resource planning, the Company's customers' restriction measures to limit the spread of COVID-19 have had a negative effect on certain Lassila & Tikanoja's segments, causing challenges particularly in one-off work and project work. For example, during the first quarter of 2022, more contagious variants of COVID-19 caused a high level of sickness-related absences, which increased production costs and weakened the sale of high-margin additional services. In addition, overlap of annual maintenance breaks has made resource optimisation more difficult increasing production costs due to increased subcontracting. The global shortage of components and raw materials caused by the COVID-19 pandemic has also been reflected on Lassila & Tikanoja through its customers, which has been reflected in a reduced amount of orders. Although the effects of the COVID-19 pandemic have reduced since the initial outbreak in 2020, the duration of the COVID-19 pandemic and its future impact on the global market cannot be accurately predicted. For example, the emergence of new COVID-19 variants could further prolong the pandemic and induce renewed economic disruptions causing similar challenges in the future and decrease the demand for Lassila & Tikanoja's products, which could have a material adverse effect on Lassila & Tikanoja's operations. Lassila & Tikanoja's adjusted operating profit was adversely affected by sickness-related absences caused by COVID-19 as well as increased fuel prices during the first three months of 2022. For the three months ended 31 March 2022, Lassila & Tikanoja estimates that the cost impact has been EUR 5.2 million.

In addition, other similar uncertainties, disruptions in financial markets and adverse economic conditions, particularly in Finland and Sweden, may affect Lassila & Tikanoja's business and results of operations. A downturn in the general economic situation and a decrease in construction, retail sales, waste or industrial production volumes, among other factors, may result in reduced purchases by customers from Lassila & Tikanoja or delayed purchasing decisions pertaining to Lassila & Tikanoja's products or services, which, in turn, could have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

The markets in which Lassila & Tikanoja operates are highly competitive, and increased competition or failure to react to changes in the competitive landscape could cause Lassila & Tikanoja to lose market share

Lassila & Tikanoja operates in highly competitive markets. In some business areas, Lassila & Tikanoja's competitors have greater market presence and/or financial and other resources than Lassila & Tikanoja, allowing them to devote greater resources to research and development, selling and marketing or future expansion. Lassila & Tikanoja's ability to compete in the markets depends on its ability to effectively respond to changes in the competitive landscape. For example, if its competitors were to change their areas of focus, enter into new markets, reduce prices, increase investments in marketing or develop and launch new products or services, this could have a material adverse effect on Lassila & Tikanoja's competitive position. Furthermore, some of Lassila & Tikanoja's competitors may be able to adjust their product prices more effectively in response to increasing production costs, or improve their profitability in markets where product prices are decreasing more effectively than Lassila & Tikanoja. Increased competition or failure to react to changes in the competitive landscape could cause Lassila & Tikanoja to lose market share, which in turn may have a material adverse effect on the Company's financial position and results of operations.

There can be no assurance that Lassila & Tikanoja will be able to successfully compete against its existing or future competitors or maintain its present market position in its current or future markets. Intensified competition could have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Changes in applicable laws and regulations or political decisions could have a material adverse effect on Lassila & Tikanoja's operations

Lassila & Tikanoja is subject to a wide variety of laws and regulations enacted on both global, EU and national level, most notably laws and regulations related to environmental protection, waste and chemical management and disposal, emissions, health, safety, tax treatment of waste and renewable sources of energy, employment relationships, occupational safety, public procurement and consumers. Changes in the regulatory framework or political decisions weakening Lassila & Tikanoja's competitive strength (such as restrictions on free trade, or the loss of benefits associated with a status or an authorisation), could require Lassila & Tikanoja to adapt its business activities, which could result in additional costs. In addition, there can be no assurance that Lassila & Tikanoja would be able to maintain competitive despite such measures.

Strengthening environmental regulations arising from measures to prevent climate change, such as the EU Green Deal (the "**Green Deal**"), have an impact on Lassila & Tikanoja's business operations. The implementation of the Green Deal may require Lassila & Tikanoja to make additional expenditures to remain in or to achieve compliance with the requirements arising from the implementation of the Green Deal. In addition, amendments to the Waste Act (17.6.2011/646, as amended) (the "**Waste Act**") entered into force on 19 July 2021, will also affect Lassila & Tikanoja's operations. See also "*Municipalisation may limit Lassila & Tikanoja's ability to offer its services, which may have a negative impact on Lassila & Tikanoja's business operations and profitability*" below. For more information on the regulatory framework applicable to Lassila & Tikanoja's operations, see "*Business Overview – Regulatory Environment*".

A considerable part of Lassila & Tikanoja's business operations is subject to environmental permits, including the operation of its key recycling plants and landfill sites. According to current legislation, environmental permits may be granted on a temporary basis. Changes in the terms of environmental permits may require Lassila & Tikanoja to take additional measures which may result in considerable expenses for Lassila & Tikanoja. In addition, there can be no assurance that the terms of Lassila & Tikanoja's existing environmental permits will not be amended or that each environmental permit will be renewed. A failure to renew a key environmental permit or the denial of an environmental permit for a new business operation could hinder Lassila & Tikanoja's operations and cause considerable expenses for Lassila & Tikanoja.

Current environmental laws and regulations often impose strict, significant, retroactive and joint and several liability in terms of costs and damage that Lassila & Tikanoja or its predecessors may have caused. These laws and regulations have generally become stricter in recent years and may in the future become more stringent, and the violation of such laws and regulations can lead to substantial fines, injunctions or criminal penalties. Should such laws and regulations become even more stringent, Lassila & Tikanoja may incur significant liabilities and expenses from solving environmental problems caused by it or its predecessors. See also "*Lassila & Tikanoja may be exposed to liability due to environmental damage, which may result in significant expenses and reputational damage*" below. Further, there can be no assurance that Lassila & Tikanoja's personnel or subcontractors will not breach Lassila & Tikanoja's internal policies or applicable legislation.

If any of the risks described above materialise, it could have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Significant fluctuations in the prices of raw materials could have a material adverse effect on Lassila & Tikanoja's profitability

Market changes pertaining to the market price development of secondary raw materials, electricity, natural gas and oil products, may have an overall unfavourable effect on Lassila & Tikanoja's business operations and business growth and may lead to lower profitability. The Russo-Ukrainian war has significantly increased the price of oil and natural gas and further effects of the Russo-Ukrainian war are difficult to predict. Fluctuations in the world market price of crude oil are reflected in the price of fuel used in production equipment as well as in the purchase prices of environmental products through oil-based raw materials.

Further increases in fuel prices may increase Lassila & Tikanoja's production costs that may further affect the overall profitability of Lassila & Tikanoja, particularly if it is unable to transfer such cost increases to its customers through increased service prices. In waste management, some customer contracts include such invoicing periods and contract terms that the sales prices cannot be raised monthly, which means that the rise in fuel prices is passed on to service prices with a delay. The diesel price risk is not hedged.

Although the Company seeks to manage the raw material price risk for environmental products through fixing sales prices for a period not exceeding the period for which the suppliers' purchase prices are valid, there can be no assurance that fluctuations in the world market price of petroleum and/or the prices of other raw materials will not have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

In addition, Lassila & Tikanoja's collection and transportation services cause direct emissions. Although Lassila & Tikanoja aims to reduce the fuel consumption of its vehicles and invest in low-emission vehicles, higher prices of carbon emissions and fossil fuels may adversely affect its transportation operations. If any of the risks described above materialise, it could have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Municipalisation may limit Lassila & Tikanoja's ability to offer its services, which may have a negative impact on Lassila & Tikanoja's business operations and profitability

Lassila & Tikanoja is subject to a legal and political risk in relation to municipalisation. As at the date of this Listing Prospectus, municipals have executive rights with respect to household waste and the power to decide how household waste is handled and collected under the Waste Act. The Waste Act lays down specific criteria for the provision of market-based waste collection, and municipal authorities are responsible for determining whether the criteria are fulfilled and whether the municipal in question is willing to organize waste collection on a market basis. However, the criteria for market-based waste collection are subject to interpretation, and, thus, further municipalisation of household waste collection may have a material adverse effect on the business operations and profitability of Lassila & Tikanoja's Environmental Services and marginally on its Industrial Services.

In addition, amendments to the Waste Act were enacted on 19 July 2021, which included considerably stricter obligations relating to the separate collection of waste fractions. The reformed Waste Act will enter into force in stages between 1 July 2022 and 1 July 2024, and the exact effects of the reformed Waste Act on Lassila & Tikanoja's business are difficult to predict as at the date of this Listing Prospectus. However, the reform of the Waste Act will increase the municipalisation in the collection of packaging materials and biowaste from housing properties and will, therefore, restrict the overall free market in the housing property market. If Lassila & Tikanoja's ability to offer its services is restricted, this could cause Lassila & Tikanoja to lose market share in the housing property market, which, in turn, could have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes. For more information on the regulatory framework applicable to Lassila & Tikanoja's operations, see "*Business Overview – Regulatory Environment*".

B. Risks Relating to Lassila & Tikanoja's Business

Changes in the market position of existing customers may have an adverse effect on Lassila & Tikanoja's demand

Fluctuations caused by the general economic situation may have a significant effect on the finances and market position of Lassila & Tikanoja's customers, which could have an adverse effect on Lassila & Tikanoja's operations. Adverse changes in Lassila & Tikanoja's customers' market position, for example, due to increased competition in their respective fields or due to other changes affecting the demand of their respective products, may, in turn, limit their ability and willingness to buy services provided by Lassila & Tikanoja to the same extent as before, and therefore adversely affect Lassila & Tikanoja's overall demand. This could have material adverse effects on the volume of Lassila & Tikanoja's business operations as well as Lassila & Tikanoja's operating result and financial position.

Lassila & Tikanoja may not be able to attract and retain appropriately skilled management and personnel, which may adversely affect its operations

Lassila & Tikanoja's business operations are labour-intensive, and Lassila & Tikanoja's future success depends on its ability to continue to attract and retain competent and motivated management and personnel for the operation and development of its business. The labour market in Lassila & Tikanoja's field of business is characterised by high employee turnover, and Lassila & Tikanoja has identified a potential decline of job satisfaction among personnel as a strategic risk that may increase employee turnover and thereby the general labour shortage even further. In addition, fluctuations in the labour market and general economic development may increase staff turnover, which could also decrease the availability of competent personnel. The population age structure also intensifies the competition for labour.

Improving the employee experience is a strategic goal, and Lassila & Tikanoja aims to manage employee-related risks by investing in diversity, employee experience, recruitment and its employer image. Lassila & Tikanoja aims to continuously develop its induction training processes and its supervisory work. In addition, Lassila & Tikanoja aims to ensure the availability of personnel by utilising leased manpower that are subject to the same rules and requirements as Lassila & Tikanoja's own employees. However, there can be no assurance that Lassila & Tikanoja's measures are sufficient to attract and retain competent management and personnel in all circumstances, and any difficulties in attracting and retaining members of Lassila & Tikanoja's management or other personnel could have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Risks related to personnel's work capacity and premature retirement

A significant part of Lassila & Tikanoja's employees carry out physically strenuous work and/or processes waste or hazardous waste as part of their work. As a major employer, Lassila & Tikanoja is fully liable for pension expenses resulting from employees' work disability. An increase in sickness rates and the personnel's disability and accident pension costs may materially and adversely affect Lassila & Tikanoja's competitiveness and profitability. Lassila & Tikanoja's employment pension contribution class is determined on the basis of its employees' pension expenses. A higher employment pension contribution class means an increase in Lassila & Tikanoja's social security cost rate, which has a material cost effect on Lassila & Tikanoja, as a major employer. Despite Lassila & Tikanoja's attempts to prevent accidents and other work-related disability cases, there can be no assurance that the means available to Lassila & Tikanoja will suffice, and that risks related to personnel's work capacity and premature retirement or changes in Lassila & Tikanoja's employment pension contribution class will not occur.

An increase in personnel's work disability and accident pension expenses may have a material adverse effect on Lassila & Tikanoja's competitive ability and profitability in all of its divisions, and particularly in the Facility Services division. An increase in employees' work disability and accident pension expenses could have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Lassila & Tikanoja may be exposed to liability due to environmental damage, which may result in significant expenses and reputational damage

Lassila & Tikanoja uses machinery, fuels and certain chemicals that may contaminate the soil, air, water and buildings, particularly in case of leakage or accident. Lassila & Tikanoja may become liable to restore the condition of a real property which was contaminated by itself or the property's previous user. Lassila & Tikanoja also owns and has leased areas with landfill sites, and has access to an area for the temporary storage, purification and final disposal of contaminated soil. The landfill site serves as a final disposal area for municipal waste, contaminated soil and industrial by-products. After the end of its lease agreements or operations, Lassila & Tikanoja is responsible for aftercare on its landfill sites, including landscaping and follow-up studies in accordance with its environmental permits. Risks specific to landfill sites are generally related to the durability and density of landfill site structures, among other factors, and may cause contamination in the surroundings of the site, including groundwater contamination. If they materialise, such risks may result in material remediation and decontamination obligations and expenses as well as reputational damage for Lassila & Tikanoja.

Environmental laws and regulations often impose strict, significant, retroactive and joint and several liability in terms of costs and damage that Lassila & Tikanoja or its predecessors may have caused. Waste, chemicals or other materials may have been disposed of in an industrial or waste management area or a landfill site for decades because of conflicting laws, permit practices and official regulations or a lack of laws, permit practices and regulations. Lassila & Tikanoja holds possession of areas – and may have gained or may gain possession of areas – where it or another party has processed waste, chemicals or industrial materials possibly for decades. Although Lassila & Tikanoja seeks to evaluate new properties and sites by performing a due diligence review as part of its acquisition process to ensure that they have been and are operated in accordance with applicable laws and regulations, there can be no assurance that such evaluations will reveal existing or potential problems or liabilities exhaustively. The detection of hidden soil contamination or other pollution may result in material soil purification or other responsibilities and expenses as well as reputational damage for Lassila & Tikanoja.

Furthermore, Lassila & Tikanoja's business operations include the collection, transport, processing and storage of waste and hazardous waste in plants and facilities owned by Lassila & Tikanoja or a third party. As a result of equipment failure or the erroneous handling of hazardous waste, harmful substances may come into contact with the soil, water system or air or cause bodily injuries following an explosion, poisoning or the interaction of substances. As a result of such accidents, Lassila & Tikanoja may incur remediation obligations and claims for damages. Despite measures to prevent environmental damage and bodily injuries, as well as other preventive measures, human errors or sabotage may also occur and can cause significant environmental damage. Any environmental damage in Lassila & Tikanoja's operations could have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Lassila & Tikanoja is exposed to risks related to information and communication systems and information security risks

Information technology is essential to Lassila & Tikanoja's business operations. Lassila & Tikanoja's ability to efficiently manage and maintain its operations and inventories, manage its logistics, deliver services and products to its customers in a timely manner, maintain the cost-efficiency of its operations, respond to customers' sales enquiries and process sales transactions is dependent on information systems provided and supported by third parties, websites and similar information monitoring and communication systems. Although Lassila & Tikanoja believes that its information technology systems currently in use are reliable and meet the requirements of its operations, there can be no assurance that these systems will not require repair or that they will not be subject to technical or other failure. System failures and service interruptions can be caused by many factors, such as computer viruses, security breaches or other third-party illegalities, natural disasters, equipment, machinery or software malfunction, connection failures or Lassila & Tikanoja's inability or failure to appropriately protect, repair or maintain its communication and information systems.

Lassila & Tikanoja is currently preparing for the deployment of a new Enterprise Resource Planning ("**ERP**") system for its Environmental Services division. In addition, it has recently upgraded its ERP system in the Facility Services Sweden division. Lassila & Tikanoja may also initiate further information system development projects in the future, and the deployment of any new system may lead to temporary overlapping costs arising from changes in the operating model, which may have a negative effect on Lassila & Tikanoja's result. Further, there can be no assurance that the deployment process of the new ERP systems or any other prospective information system development projects will be completed within the expected timeframe or that the expected benefits from the new information systems will be attained. Risks associated with information and communications systems and their implementation can affect Lassila & Tikanoja's operations and customer service.

Furthermore, Lassila & Tikanoja is subject to certain data security requirements, such as those under the EU General Data Protection Regulation (EU 2016/679, "**GDPR**"). Should Lassila & Tikanoja fail to protect personal data or certain customer or employee data, such data may be used inappropriately either intentionally or unintentionally, or leaked as a result of human error or technological failure. Breaches of the GDPR could result in fines of up to four per cent of the Group's yearly net sales. Violation of data protection laws by Lassila & Tikanoja or one of its partners or suppliers, or any leakage of customer or employee data may result in fines, reputational harm and loss of customers.

If realised, any of the abovementioned risks could have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Lassila & Tikanoja's merger, acquisition and divestments activities exposes it to various risks, which could have an adverse effect on its business

As part of its strategy, Lassila & Tikanoja seeks growth, both organically and through business acquisitions. The success or failure of acquisitions affects the achievement of Lassila & Tikanoja's growth and profitability targets. Failures in acquisitions may impact Lassila & Tikanoja's competitiveness and profitability and may change the Company's risk profile. Lassila & Tikanoja seeks to manage risks related to acquisitions through transaction agreements, strategic and financial analysis of acquisition targets, due diligence, and particularly by carrying out an efficient integration programme after the completion of a transaction. However, there can be no assurance that corporate mergers and acquisitions ("**M&A**") and divestment activities initiated by Lassila & Tikanoja will be completed as intended or that anticipated economies of scale or synergies are achieved. M&A and divestment activities that are completed in a manner that differs from the Company's expectations may have a material adverse effect on Lassila & Tikanoja's business operations, results of operations and financial position.

As a result of any M&A and divestment activities implemented in the future, the integration of domestic or foreign companies' business operations into Lassila & Tikanoja's other business operations may require a significant input by Lassila & Tikanoja's management, which may reduce the management's opportunities for other business development, at least temporarily. Any failed integration, or an integration that is completed in a manner that differs from Lassila & Tikanoja's expectations, may have an adverse effect on Lassila & Tikanoja's business operations, operating result and financial position. M&A and divestment activities may affect Lassila & Tikanoja's structure and balance sheet directly or indirectly, depending on the integration and other measures required by such arrangements.

Many of the companies acquired by Lassila & Tikanoja have been and will be companies that may have operated in waste management, among other sectors, and owned properties related to such operations. Hidden environmental risks and other risks may be related to the business operations of such companies and the properties owned by such companies. The business operations of many of the companies acquired by Lassila & Tikanoja are labour-intensive. As part of each acquisition, the company sought to determine any work capacity risks, premature retirement risks and other risks and liabilities related to employees. Such risks may be hidden by nature, and they may not be identified until the acquisition is completed or managed through contractual terms and conditions. Hidden liabilities may later be discovered in acquired companies and business operations, and such liabilities may expose Lassila & Tikanoja to claims for damages or other unpredictable negative effects that, if materialised, could have a material adverse effect on Lassila & Tikanoja's business operations, results of operations and financial position.

There can be no assurance that the measures available for Lassila & Tikanoja to minimise risks related to M&A and divestment activities are sufficient to manage hidden or any other liabilities and ensure the profitability of corporate such activities. If any of these risks materialise, it could have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Lassila & Tikanoja may not be able to meet its customers' changing requirements, which could result in the loss of customers

Maintaining Lassila & Tikanoja's competitiveness requires that the Company is able to meet its customers' requirements related to matters such as quality, timeliness of deliveries, level of costs, technology and quality of customer service. In addition, climate change has caused increased concerns and expectations concerning its mitigation among Lassila & Tikanoja's stakeholders and customers, and Lassila & Tikanoja is constantly developing efforts towards a low-carbon economy and seeks to find innovative solutions that enable its customers to reduce their climate impact more efficiently. However, there can be no assurance that Lassila & Tikanoja's solutions will meet the demands of its customers, or that a competitor will not develop such solutions faster. The inability to meet the changing requirements of customers or deliver services at a competitive price, may lead to loss of customer accounts and loss of customers to competitors, which may have a material adverse effect on Lassila & Tikanoja's business, result of operations and financial position.

The ability to meet customer requirements, especially in an increasingly competitive market situation, may require significant investments in new technology, training personnel and development of Lassila & Tikanoja's offering. Such investments may also require external financing, and the availability and terms and conditions of such financing depend on the market situation prevailing at the time. If Lassila & Tikanoja is unable to meet its customers' requirements and maintain its competitiveness, it could have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Lassila & Tikanoja's insurance coverage may not be sufficient

Lassila & Tikanoja maintains insurance policies regarding certain risks, including coverage against damage to personnel, property and the environment as well as traffic and transport damage, liability damage and consequential loss that cover all of Lassila & Tikanoja's operating countries and subsidiaries. Furthermore, Group companies may acquire local insurances on a case-by-case basis in separately defined areas and as part of specific delivery contracts. Insurance policies are obtained under terms and conditions that Lassila & Tikanoja believes to be in line with standard market practises.

Although Lassila & Tikanoja believes that it carries adequate insurance with respect to its operations and that said insurance coverage corresponds to the general industry practice, Lassila & Tikanoja may incur losses beyond the limits or outside the coverage of its insurance policies, including for environmental remediation. There can be no assurance that Lassila & Tikanoja's insurance policies will adequately cover all or any of such costs, if such incidents were to occur. In addition, Lassila & Tikanoja's insurance policies may be subject to deductibles or franchises, as the case may be, and possible remedial requirements that affect the final amount of possible insurance indemnities. Although it has been Lassila & Tikanoja's policy to cover the risks relating to its operations through contractual limitations of liability to the extent possible, it may not in all cases provide sufficient economic safety.

Potential insufficiencies in Lassila & Tikanoja's insurance coverage could have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes. For further information, please see "*Business overview – Insurances*".

Labour disputes and adverse employee relations could interfere with Lassila & Tikanoja's operations

Lassila & Tikanoja's employees are covered by certain peremptory collective agreements. Lassila & Tikanoja, its subcontractors or employer and employee associations may not be able to negotiate new collective labour agreements with satisfactory terms and conditions when the existing agreements expire. Work stoppages, strikes or other labour disputes in industries associated with Lassila & Tikanoja's business may cause disruptions in its operations resulting in Lassila & Tikanoja not being able to offer its services to customers and, therefore, decreasing its profitability and increasing the amount of Lassila & Tikanoja's expenses.

There can be no assurance that any disputes, work stoppages or strikes will not arise in the future, especially if further restructuring actions are needed. Should any disputes, work stoppages or strikes occur in the future, these could have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Lassila & Tikanoja's premises could become subject to natural disasters, fires, explosions, machinery breakdown or other incidents that could cause a production disruption

The production at Lassila & Tikanoja's premises could be adversely affected by extraordinary events, including fires and explosions, the release of high-temperature steam or water, structural collapse, machinery or data system failure, mechanical failure, extended or extraordinary maintenance, road construction or closures of primary access routes, flooding, windstorms or other severe weather conditions and environmental incidents. Lassila & Tikanoja has approximately 200 properties in Finland, including recycling plants, transfer stations, terminals, warehouses and office properties. Extreme weather conditions may have an impact on Lassila & Tikanoja's waste collection and property maintenance operations. In addition, Lassila & Tikanoja's operations include certain processes and chemical handling that involve a higher risk of fire, which may cause interruption in its operations for a short or longer period of time. For example, the Industrial Services division handles and transports hazardous waste that can be inflammable and cause harmful emissions or bodily injuries, if combusted. In addition, the materials handled and stored by the Environmental Services division include wood chips, which are inflammable. The construction, repair and maintenance operations in the Facility Services division are also exposed to a risk of fire. If Lassila & Tikanoja's production activities were to experience a major accident or were forced to shut down due to any unforeseen events, this could cause major interruptions in Lassila & Tikanoja's operations and result in significant costs or liabilities. Furthermore, deficiencies in Lassila & Tikanoja's premises, such as poor indoor air quality or defects in occupational safety, could have a material adverse effect on the work capacity of Lassila & Tikanoja's personnel that may result in significant expenses. The occurrence of any of the above-mentioned events could have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Although Lassila & Tikanoja has insurance coverage for unpredictable risks, the insurance programs are subject to certain limitations, such as deductibles and maximum liability amounts, and therefore may not cover all of

Lassila & Tikanoja's potential losses. In addition, Lassila & Tikanoja may incur losses that are outside of the coverage of its insurance policies, and there can be no assurance that Lassila & Tikanoja's insurance policies would cover all or any of such costs if an incident were to occur.

Lassila & Tikanoja's public sector projects may involve risks relating to public procurement and compliance

As a rule, public-sector assignments are awarded according to public procurement, which involves the risk of tough price competition. Lassila & Tikanoja is dependent on the policies of its public sector customers, including policies concerning investments in properties and infrastructure. Lassila & Tikanoja's contracts with public sector customers are subject to audits, which could result in adjustments to reimbursable contract costs or, if Lassila & Tikanoja is charged with wrongdoing, possible temporary or permanent suspension or sanctions from participating in public tenders. Further, Lassila & Tikanoja may not be able to negotiate the terms and conditions of contracts with public sector customers, which could reduce the profitability of the contract.

In addition, for public sector customers, a failure by Lassila & Tikanoja or its subcontractors to comply with applicable laws, regulations or customer requirements may result in fines, liquidated damages or suspension being imposed on Lassila & Tikanoja. Materialisation of the above risks could have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

C. Risks Relating to Lassila & Tikanoja's Financing

Lassila & Tikanoja may not receive financing at competitive terms or at all and may not be able to fulfil its obligations under its financing arrangements

Lassila & Tikanoja is exposed to liquidity and refinancing risk. Lassila & Tikanoja seeks to maintain a good liquidity position through efficient cash management and investments in money market instruments that can be realised quickly. The liquidity situation is monitored in real time and predicted using cash flow forecasts. Uncertainty in the financial markets may mean that the price of the financing needed to carry out Lassila & Tikanoja's business will increase and/or that it will be less readily available. To ascertain the availability of funding, Lassila & Tikanoja uses a wide range of different financing arrangements and several banks in its financial operations. In addition, Lassila & Tikanoja aims to refinance existing indebtedness well in advance of maturity in order to mitigate risks relating to finance. For example, Lassila & Tikanoja's revolving credit facility of EUR 40 million was refinanced during the three months of 2022, well in advance of its maturity in the second quarter of 2023.

Most of Lassila & Tikanoja's debt financing includes financial covenants calculated based on its equity ratio and net debt to EBITDA that limit the granting of additional security interests to other financiers and the discontinuation or transfer of present business operations. Any problems in meeting the financial covenants or Lassila & Tikanoja's other obligations or undertakings under its financing arrangements can affect its future funding and/or require negotiations with lenders. A breach of a financial covenant would entitle the lenders to accelerate the debt in question and Lassila & Tikanoja might not be able to refinance such accelerated loans in a timely and cost-efficient manner, or at all. Lassila & Tikanoja's ability to meet these financial covenants can be affected by major investments or other changes in the conditions for operation and in Lassila & Tikanoja's capital structure but also by events beyond its control such as changes in the equity and debt finance markets and cyclical fluctuations. Lassila & Tikanoja may encounter difficulties in raising funds and, as a result, lack the access to liquidity that it needs. The level of Lassila & Tikanoja's leverage may affect its ability to refinance its existing credits. The level of Lassila & Tikanoja's leverage could also affect its competitiveness and limit its ability to react to changes in market conditions and economic downturns. The most significant risks related to covenant breaches relate to EBITDA fluctuations as a result of the market situation or a possible need to increase Lassila & Tikanoja's working capital through debt financing. Lassila & Tikanoja seeks to manage the risk by negotiating with financiers and maintaining its readiness for various financing solutions.

As at 31 March 2022, financial loans subject to financial covenants totalled EUR 75 million (EUR 50 million as at 31 March 2021). The financial loans consist a EUR 50 million term loan, which will mature in 2024, and a term loan of EUR 25 million, which will mature in 2023 but has a one-year option. Lassila & Tikanoja has not been in breach of the financial covenants related to its loan agreements during the financial period under review in this Listing Prospectus.

The materialisation of the above risks could have a material adverse effect on Lassila & Tikanoja's business, financial condition and results of operations and future prospects and thereby, on Lassila & Tikanoja's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Lassila & Tikanoja is exposed to foreign exchange risk particularly related to the Swedish krona

Lassila & Tikanoja has operations outside the euro area and is, therefore, exposed to both transaction and translation risks associated with the fluctuation of foreign currencies, particularly the Swedish krona, that affect the Group's result and equity. Lassila & Tikanoja's transaction risk mainly relates to its cash reserves denominated in foreign currencies. Although Lassila & Tikanoja hedges its cash reserves by converting them into euros through foreign exchange transactions to mitigate the impact of exchange rate fluctuations, there can be no assurance that it will be able to manage its foreign exchange risk successfully and/or on favourable terms. Lassila & Tikanoja's exposure to the currency translation risk consists of net investments in foreign subsidiaries, including equity investments and retained earnings. The exposure of net investments in foreign subsidiaries is not hedged, as these holdings are considered long-term strategic investments. For the year ended 31 December 2021, translation differences due to changes in foreign exchange in equity amounted to EUR -1.6 million (EUR 5.4 million for the year ended 31 December 2020).

Any of the abovementioned risks related to the fluctuation of foreign currencies could have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Interest rates on Lassila & Tikanoja's financing arrangements could fluctuate

Lassila & Tikanoja's interest rate risk is primarily related to borrowings, which are tied to variable interest rates and create cash flows that vary with the interest rate level. As the demand for Lassila & Tikanoja's services or their prices are not significantly dependent on fluctuations in economic trends, Lassila & Tikanoja tries to keep interest costs steady. On account of this, over 50 per cent of the cash flow associated with variable rate borrowings is hedged against interest rate risk with interest rate swaps. As at 31 December 2021, 64 per cent (80 per cent as at 31 December 2020) of Lassila & Tikanoja's borrowings were either fixed interest rate borrowings or hedged with interest rate swaps, while variable-rate borrowings accounted for 36 per cent (20 per cent as at 31 December 2020). Although Lassila & Tikanoja manages the impact of interest rate fluctuations by borrowing with fixed rate and floating rate loans, there can be no assurance that it will be able to manage its interest rate risk successfully and/or on favourable terms. A failure to manage interest rate risk could make it more difficult for Lassila & Tikanoja to acquire external funding and weaken its financial position, and could therefore have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Lassila & Tikanoja is exposed to credit and counterparty risk

Lassila & Tikanoja is exposed to credit and counterparty risks related to its business operations, that is, the risk of the counterparty being unable to fulfil its contractual commitments. Counterparty risk is managed by making financial and derivative contracts with major Nordic banks only and by making investments related to liquidity management only in certificates of deposit and commercial papers of issuers with a good credit standing. As at the date of this Listing Prospectus, no impairment is expected on any outstanding investments.

Lassila & Tikanoja's counterparty credit risk is partly offset by a wide customer base consisting of companies, industrial plants, office and business properties, institutional property owners, housing corporations, public sector organisations and households. Its accounts receivable mostly consist of a high number of relatively small receivables and there are no significant concentrations of credit risk. In addition, Lassila & Tikanoja has credit control guidelines to ensure that services and products are sold only to customers with an appropriate credit standing or, if a customer's creditworthiness is inadequate, prepayment is required. Most customer relationships are based on long-term service contracts, and customers are not generally required to provide collateral. With regard to Finnish trade receivables, collection operations are managed centrally by the financial management function. Foreign subsidiaries manage the collection of their trade receivables locally.

Lassila & Tikanoja's ability to manage its counterparty-related risks depends on a number of factors, including market conditions affecting its financial counterparties, and there can be no assurance that Lassila & Tikanoja's measures will be successful in preventing the realisation of counterparty-related risks, which could have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Lassila & Tikanoja is exposed to the risk of impairment of goodwill, and other intangible assets

Goodwill represents the part of the acquisition cost by which the total of the consideration, non-controlling interest in the acquired entity and previously owned share exceed the fair value of the net assets of the acquired entities at the time of acquisition. No amortisation is recorded for goodwill, but goodwill is tested for impairment annually. On the balance sheet, goodwill is presented at original acquisition cost, net of any impairment. As a result of business acquisitions, Lassila & Tikanoja's balance sheet includes significant goodwill. As at 31 March 2022, goodwill totalled EUR 182.3 million, or 94.9 per cent of Lassila & Tikanoja's equity, which stood at EUR 192.2 million.

Intangible assets acquired in business combinations are recognised at fair value. The useful life of intangible assets is estimated to be definite or indefinite. Intangible assets recognised in merging business operations of Lassila & Tikanoja include customer relationships, non-competition agreements and environmental permits, among other assets. They have definite useful lives, ranging from three to thirteen years.

The cash flow forecasts used in impairment testing are based on financial forecasts prepared by Lassila & Tikanoja's management. It is possible that the assumptions related to cash flow forecasts do not materialise, and the ensuing impairments on goodwill may affect Lassila & Tikanoja's equity ratio, and thereby have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

D. Risks Relating to the Notes as a Debt Instrument

Investors are exposed to credit risk in respect of the Issuer and investors may lose their investment in the Notes

Investors in the Notes are exposed to a credit risk in respect of the Issuer, and payments by the Issuer to investors under the Notes will be dependent on the Issuer's ability to meet its payment obligations, which, in turn, is to a large extent dependent on developments in the Issuer's business and financial performance. An investor is always solely responsible for the economic consequences of their investment decisions.

An increased credit risk may cause the market to charge the Notes a higher risk premium, which could affect the Notes' value negatively. Another aspect of the credit risk is that a deteriorating financial condition of the Issuer may reduce the Issuer's possibility to receive debt financing at the time of the maturity of the Notes and such debt financing might be needed for the Issuer to be able to meet its payment obligations under the Notes. In addition, should the Issuer become insolvent during the term of the Notes, an investor may forfeit interest payable on, and the principal amount of, the Notes in whole or in part.

The Notes constitute unsecured obligations of the Issuer

The Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer. The Notes are not guaranteed by any person or entity. No one other than the Issuer will accept any liability in respect of any failure by the Issuer to pay any amount due under the Notes.

The Notes are unsecured debt instruments and the Noteholders would be unsecured creditors in the event of the Issuer's bankruptcy, reorganisation or winding. Accordingly, the prospects of the Issuer may adversely affect the liquidity and the market price of the Notes and may increase the risk that the Noteholders will not receive prompt and full payment, when due, for interest, principal and/or any other amounts payable to the Noteholders pursuant to the Notes from time to time.

The Terms and Conditions permit the Issuer to incur additional secured indebtedness in the future subject to certain limitations. In the event of any liquidation of assets of the Issuer in any bankruptcy, liquidation or dissolution, holders of secured indebtedness will have a prior claim to those assets that constitute their collateral. In any of the foregoing events, it cannot be assured that there will be sufficient assets to pay amounts due on the Notes.

Neither the Issuer nor the Notes are currently rated by any rating agency

Neither the Issuer nor the Notes are currently rated by any rating agency. Accordingly, investors are not able to refer to any independent credit rating when evaluating factors that may affect the value of the Notes. The absence of rating may reduce the liquidity of the Notes and/or increase the borrowing costs of the Issuer.

Active trading market for the Notes may not develop

The Notes constitute a new issue of securities by the Issuer. Prior to the contemplated Listing on Nasdaq Helsinki, there is no public market for the Notes. Although application will be made to list the Notes on Nasdaq Helsinki, there can be no assurance that such application will be approved. In addition, listing of the Notes will not guarantee that a liquid public market for the Notes will develop, and even if such a market were to develop, neither the Issuer nor the Lead Manager are under any obligation to maintain such a market. Thus, there can be no assurance that an active trading market for the Notes will develop or that such a market will be maintained. The liquidity and the market prices of the Notes can be expected to vary with changes in market and economic conditions, the financial condition and prospects of the Issuer as well as many other factors that generally influence the market prices of securities. Such factors may significantly affect the liquidity and the market prices of the Notes, which may trade at a discount to the price at which the Noteholders purchased the Notes.

If an active trading market for the Notes does not develop or is not maintained, it could have a material adverse effect on the market price of the Notes and the liquidity of the Notes. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Further, if additional and competing products are introduced in the markets, this may also result in a material decline in the market price and value of the Notes.

The Issuer is not obliged to compensate for withholding tax or similar on the Notes

In the event of any withholding tax, public levy or similar being imposed in respect of payments to Noteholders on amounts due pursuant to the Notes, the Issuer is not obliged to gross-up or otherwise compensate Noteholders for the lesser amounts the Noteholders will receive as a result of the imposition of withholding tax or similar. Furthermore, the Noteholders do not have any right to a premature redemption of the Notes based on the same.

The Notes may not meet investors' expectations or requirements related to sustainability

The Notes are defined as Sustainability-linked Bonds according to the Issuer's Sustainability-linked Bond Framework dated 3 May 2022 (the "**Sustainability Framework**"). Even though the redemption price relating to the Notes is subject to an upward adjustment in certain circumstances specified in the Terms and Conditions, the Notes may fail to satisfy investor's requirements or any future standards for investment in assets with sustainability characteristics and no representation is made by the Issuer or the Lead Manager as to the suitability of the Notes to fulfil environmental or sustainability criteria required by prospective investors. Further, the Notes will not be marketed as "green bonds" or "social bonds" as the Issuer does not intend to allocate the net proceeds specifically to projects or business activities meeting environmental or sustainability criteria, or be subject to any other limitations associated with green or social bonds, however, the issue is committed to sustainability-enhancing actions addressing all of its business in a holistic manner.

Sustainalytics has issued an independent opinion, dated 3 May 2022, on the Sustainability Framework (the "**Second-Party Opinion**") assessing the relevance, robustness, reliability and ambition level of the selected key performance indicators (the "**KPIs**") and the SPTs. The Second-Party Opinion provides an opinion on certain environmental and related considerations and is a statement of opinion, not a statement of fact. No representation or assurance is given as to the suitability or reliability of any opinion or certification of any third party made available in connection with the issue of Notes. The Second-Party Opinion is not intended to address any credit, market or other aspects of any investment in the Notes, including without limitation market price, marketability, investor preference or suitability of any security or any other factors that may affect the value of the Notes. Any such opinion or certification is not a recommendation by the Issuer or the Lead Manager or any other person to buy, sell or hold any such Notes and is current only as of the date it was issued. As at the date of this Listing Prospectus, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein.

E. Risks Related to the Terms and Conditions of the Notes

Since the Notes bear a fixed interest rate, movements in market interest rates can adversely affect the value of the Notes

The Notes bear interest on their outstanding principal at a fixed interest rate. A holder of a security with a fixed interest rate is exposed to the risk that the price of such security may fall as a result of changes in the interest rates on capital markets (market interest rate). Market interest rates follow the changes in general economic conditions, and are affected by, among many other things, demand and supply for money, liquidity, inflation rate, economic growth, central banks' benchmark rates, implied future rates, and changes and expectations related thereto.

While the nominal compensation rate of a security with a fixed interest rate is fixed during the term of such security or during a certain period of time, current market interest rates typically change continuously. In case market interest rates increase, the market price of such a security typically falls, until the yield of such security is approximately equal to the market interest rates. If market interest rates fall, the price of a security with a fixed interest rate typically increases, until the yield of such a security is approximately equal to market interest rates. Consequently, the Noteholders should be aware that movements of market interest rates may result in a material decline in the market price of the Notes and can lead to losses for the Noteholders if they sell the Notes. Further, the past performance of the Notes is not an indication of their future performance.

The Notes do not, as a rule, contain covenants governing the Issuer's operations and do not limit its ability to merge, effect asset sales or otherwise effect significant transactions that may have a material adverse effect on the Notes and the Noteholders

As a rule, the Notes do not contain provisions designed to protect Noteholders from a reduction in the creditworthiness of the Issuer. In particular, the Terms and Conditions do not, except as set forth in Condition 10 (*Put Option Events*) and Condition 12 (*Events of Default*), which grant the Noteholders the right of repayment of the Notes in certain limited circumstances, restrict the Issuer's ability to enter into a merger, asset sale or other significant transaction that may materially alter its existence, jurisdiction of organisation or regulatory regime and/or its composition and business. In the event the Issuer was to enter into such a transaction, Noteholders may be materially and adversely affected.

The Notes carry no voting rights at the Issuer's general meetings of shareholders

The Notes carry no voting rights with respect to shareholders meetings of the Issuer. Consequently, the Noteholders cannot influence any decisions by the Issuer's shareholders concerning, for instance, the capital structure of the Issuer.

Amendments to the Terms and Conditions of the Notes bind all Noteholders

The Terms and Conditions may be amended in certain circumstances, with the required consent of a defined majority of the Noteholders. The Terms and Conditions contain provisions for the Noteholders to call and attend meetings and arrange procedures in writing to consider and vote upon matters affecting their interests generally. Resolutions passed at such meetings may bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. This may incur financial losses, among other things, to all Noteholders, including such Noteholders who did not attend and vote at the relevant meeting or participate in the procedure in writing and who voted in a manner contrary to the majority.

The Issuer may incur additional debt and/or grant security without the consent of the Noteholders

Except as set forth in Condition 9 (*Negative Pledge*) of the Terms and Conditions, the Issuer is not prohibited from issuing further notes or incurring other debt ranking *pari passu* or senior to the Notes or restricted from granting any security on any existing or future debts. Such issuance or incurrence of further debt or granting of security may reduce the amount recoverable by the Noteholders upon the winding-up or insolvency of the Issuer, or may worsen the position and priority of the Noteholders in such winding-up or insolvency procedure.

The right to receive payments under the Notes is subject to time limitations

In case any payment under the Notes has not been claimed within three (3) years from the original due date thereof, the right to such payment shall become void. Such forfeiture to receive payment may cause financial losses to such

Noteholders who have not claimed payment under the Notes within said time limit. If the Noteholder does not provide its respective book-entry account operator up-to-date information on applicable bank accounts, payments under the Notes to such Noteholder will become void after three (3) years from the original due date if not claimed by the Noteholder.

The Notes include certain triggers linked to sustainability key performance indicators, and the Issuer may not be successful in complying with the Sustainability Framework

The Terms and Conditions include certain triggers linked to sustainability key performance indicators, as defined in the Sustainability Framework. There can be no assurance that Lassila & Tikanoja will be able to comply with the Sustainability Framework and meet the SPTs defined in therein. The Issuer may fail to comply with the Sustainability Framework for several reasons, such as the Issuer not having sufficient resources or expertise as well as due to external factors that are beyond its control.

The failure to meet one or both of the SPTs on the target observation date, 31 December 2027, will result in an upward adjustment of the redemption price applicable to the Notes, which would increase the Issuer's total cost of funding. Such failure would also expose Lassila & Tikanoja to reputational risks. If the Issuer does not reach the SPTs defined in the Sustainability Framework, this could have a material adverse effect on Lassila & Tikanoja's business, financial condition, results of operations and future prospects.

GENERAL INFORMATION

Responsibility Regarding the Listing Prospectus

This Listing Prospectus has been prepared by Lassila & Tikanoja and Lassila & Tikanoja accepts responsibility regarding the information contained in this Listing Prospectus. Lassila & Tikanoja declares that, to the best of its knowledge, the information contained in this Listing Prospectus is in accordance with the facts and that this Listing Prospectus makes no omission likely to affect its import.

Information Derived from Third-Party Sources

This Listing Prospectus contains estimates regarding the market position of Lassila & Tikanoja. Such information is prepared by Lassila & Tikanoja based on third-party sources and Lassila & Tikanoja's own internal estimates. In many cases, there is no publicly available information on such market data. Lassila & Tikanoja believes that its estimates of market data and information derived therefrom are helpful in order to give investors a better understanding of the industry in which it operates as well as its position within this industry. Although Lassila & Tikanoja believes that its internal market observations are fair estimates, they have not been reviewed or verified by any external experts and Lassila & Tikanoja cannot guarantee that a third-party expert using different methods would obtain or generate the same results. Should this Listing Prospectus contain market data or market estimates in connection with no source has been presented, such market data or market estimate is based on Lassila & Tikanoja's management's estimates.

Availability of the Listing Prospectus

This Listing Prospectus will be available as of 19 May 2022 on the website of the Company at *https://www.lt.fi/en/investors/economic-data/financial-position/financial-arrangements*.

No Incorporation of Website Information

This Listing Prospectus together with the documents incorporated by reference herein are available on Lassila & Tikanoja's website at *https://www.lt.fi/en/investors*. However, any other information presented on Lassila & Tikanoja's website or any other website does not form a part of this Listing Prospectus (except for any supplement to this Listing Prospectus and information which has been incorporated by reference into this Listing Prospectus, see section "*Information Incorporated by Reference*"), and the information on such websites has not been scrutinised or approved by the FIN-FSA. Prospective investors should not rely on such information in making their decision to invest in the Notes.

Credit Ratings

The Issuer or the Notes have not been assigned any credit ratings at the request or with the co-operation of the Issuer in any rating process. The Company does not intend to seek rating for the Notes in the future.

Forward-looking Statements

Certain statements in the Listing Prospectus, including but not limited to certain statements set forth under "*Summary*", "*Risk Factors*", "*Business Overview*" and "*Financial Information and Prospects*" are based on the beliefs of Lassila & Tikanoja's corporate management as well as assumptions made by and information currently available to it, and such statements may constitute forward-looking statements. The words "believe", "expect", "anticipate", "intend" or "plan" and similar expressions identify such forward-looking statements. Other forward-looking statements can be identified in the context in which the statements are made.

Such forward-looking statements involve known and unknown risks, uncertainties and other important factors, and as a result, events described in the forward-looking statements may not occur or may fail to materialise. The section "*Risk Factors*" of this Listing Prospectus presents examples of these and other risks, uncertainties and other factors. Should one or more of these or other risks or uncertainties materialise, or should any underlying assumptions prove to be incorrect, the actual results of operations or financial condition of the Issuer or its ability to fulfil its obligations under the Notes could differ materially from what is described in this Listing Prospectus as anticipated, believed, estimated or expected. Prospective investors should not unduly rely on these forward-looking statements. Numerous factors may cause actual results, realised revenues or performance to differ materially from the results, revenues and performance expressed or implied in the forward-looking statements of

Lassila & Tikanoja. Lassila & Tikanoja does not intend and does not assume any obligation to update any forward-looking statements contained herein or to adjust them in the light of future events or developments unless required by applicable legislation. For additional information on factors that could cause Lassila & Tikanoja's actual results of operations, performance or achievements of Lassila & Tikanoja to differ materially, see "*Risk Factors*".

The Issuer does not intend, and does not assume any obligation, to update any forward-looking statements contained herein unless required to do so by applicable legislation.

No controlling Shareholders

To the extent known to the Issuer, the Issuer is not directly or indirectly owned or controlled by any person for the purposes of Chapter 2, Section 4 of the Finnish Securities Markets Act and the Issuer is not aware of any arrangement related to the Issuer's ownership the operation of which may result in a change of control of the Issuer.

Taxation

Potential investors should be aware that the tax legislation of a potential investor's member state and of the Issuer's country of incorporation may have an impact on the income received from the Notes.

Second-Party Opinion

Sustainalytics has issued a Second-Party Opinion in relation to the Sustainability Framework. The Second-Party Opinion is accessible on the website of the Issuer at, *https://www.lt.fi/en/investors/economic-data/financial-position/financial-arrangements/sustainability-linked-bond-framework*. Any information on, or accessible through, such website and the information in such Second-Party Opinion does not form part of this Listing Prospectus and should not be relied upon in connection with making any investment decision with respect to the Notes.

The Second-Party Opinion provides an independent assessment on the relevance, robustness, reliability and ambition level of the selected KPIs and the SPTs. In addition, the Second-Party Opinion confirms that the Sustainability Framework is aligned with the Sustainability-Linked Bond Principles (The "**SLBPs**") administered by the International Capital Market Association ("**ICMA**").

The Second-Party Opinion considers KPI 1 and KPI 2 to be strong given that (i) it is a direct measure of Lassila & Tikanoja's emissions, (ii) it speaks to a material environmental issue for the Company, (iii) it follows a clear and consistent methodology and (iv) it follows an externally defined methodology. In addition to that, KPI 1 is consistent with an external reference and KPI 2 can be benchmarked against external science-based contextual benchmarks.

The Second-Party Opinion considers SPT 1 to align with Lassila & Tikanoja's sustainability strategy and to be ambitious given that: (i) it is above Lassila & Tikanoja's industry peers and (ii) has been verified to align with science-based targets of well below 2°C. However, the SPT exhibits and decrease compared to historical performance.

The Second-Party Opinion considers SPT 2 to align with Lassila & Tikanoja's sustainability strategy and to be ambitious given that: (i) it presents a material improvement compared to past performance and (ii) is above Lassila & Tikanoja's industry peers but alignment with science cannot be determined.

Other Information

Financial information set forth in a number of tables in this Listing Prospectus has been rounded. Accordingly, in certain instances, the sum of the numbers in a column or row may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in the tables in this Listing Prospectus reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

In this Listing Prospectus, references to "euro" or "EUR" are to the currency of the member states of the EU participating in the European Economic and Monetary.

Notice to Investors in the EEA

In relation to each member state of the EEA (a "**Member State**"), the Lead Manager has represented and agreed that it has not made and will not make an offer of Notes to the public in that Member State other than:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant dealer or dealers nominated by the Issuer for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes shall require the Issuer or the Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Prohibition of Sales to UK Retail Investors

The Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the UK. For the purposes of this provision:

The expression retail investor means a person who is one (or more) of the following:

(a) a retail client, as defined in point (8) of Article 2 of EUWA; or

(b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the Financial Services and Markets Act 2000 to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

Notice to Prospective Investors in the UK

The Listing Prospectus may only be distributed to, and is directed at (a) persons who have professional experience in matters relating to investments falling within article 19(1) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") or (b) high net worth entities falling within article 49(2)(a) to (d) of the Order, and other persons to whom it may be lawfully communicated, falling within article 49(1) of the Order (all such persons together being referred to as "**relevant persons**"). Any person who is not a relevant person should not act or rely on this document or any of its contents.

Notice to Prospective Investors in the United States

The Notes have not been and will not be registered under the Securities Act or under the applicable securities laws of any state of the United States and may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Notes may not be a suitable investment for all investors

The Notes may not be a suitable investment for all investors. Thus, each potential investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that investment in the Notes is consistent with its financial needs, objectives and condition, complies and is consistent with the investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the material risks inherent in investing in or holding the Notes. In particular, each potential investor should:

(a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or referred to in this Listing Prospectus;

(b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes; and

(d) be able to evaluate either alone or with the help of a financial adviser possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risk.

Legislative amendments may take place during the term of the Notes

The Notes are governed by the laws of Finland, as in force from time to time. Finnish laws (including but not limited to tax laws) and regulations governing the Notes may change during the term of the Notes, and new judicial decisions can be given and administrative practices may be implemented. The Issuer makes no representations as to the effect of any such changes of laws or regulations, or new judicial decisions or administrative practices after the date of this Listing Prospectus.

The completion of transactions relating to the Notes is dependent on Euroclear Finland's operations and systems

The Notes are issued in the book-entry securities system of Euroclear Finland. Pursuant to the Act on Book-Entry System and Clearing Activity (16.6.2017/348, as amended), the Notes will not be evidenced by any physical note or document of title other than statements of account made by Euroclear Finland or its account operator. The Notes are dematerialised securities and title to the Notes is recorded and transfers of the Notes are effected only through the relevant entries in the book-entry system and registers maintained by Euroclear Finland and its account operators. Therefore, timely and successful completion of transactions relating to the Notes, including but not limited to transfers of, and payments made under, the Notes, depend on the book-entry securities system being operational and that the relevant parties, including but not limited to the payment transfer bank and the account operators of the Noteholders, are functioning when transactions are executed. Any malfunction or delay in the book-entry securities system or any failure by any relevant party may result in the transaction involving the Notes not taking place as expected or being delayed, which may cause financial losses or damage to the Noteholders whose rights depended on the timely and successful completion of the transaction.

The Issuer or any other third party will not assume any responsibility for the timely and full functionality of the book-entry securities system. Payments under the Notes will be made in accordance with the laws governing the book-entry securities system, the rules of Euroclear Finland and the Terms and Conditions. For purposes of payments under the Notes, it is the responsibility of each Noteholder to maintain with its respective book-entry account operator up to date information on applicable bank accounts.

Legal investment considerations may restrict certain investments

The investment activities of Noteholders may be subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential Noteholder should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

TERMS AND CONDITIONS OF THE NOTES

The Board of Directors of Lassila & Tikanoja plc (the "**Issuer**") has in its meeting held on 26 April 2022 resolved to authorise the issue of notes referred to in paragraph 1 of Section 34 of the Act on Promissory Notes (622/1947, as amended) (Fin. *velkakirjalaki*) (the "**Notes**"). The Notes will be subject to the following terms and conditions (the "**Terms and Conditions**").

Danske Bank A/S shall act as arranger in connection with the offer and issuance of the Notes (the "**Arranger**").

The ISIN code of the Notes is FI4000523022.

1. Principal Amount and Issuance of the Notes

The maximum principal amount of the Notes is 75 million euros (EUR 75,000,000).

The Notes will be issued in dematerialised form in the Infinity system of Euroclear Finland Oy ("**EFi**") (or any system replacing or substituting the Infinity system in accordance with the regulations and decisions of EFi) in accordance with Finnish law governing the Finnish book-entry system and book-entry accounts (Fin. *Laki arvo-osuusjärjestelmästä ja selvitystoiminnasta*) as well as the regulations and decisions of EFi. No physical Notes will be issued.

The issuer agent (Fin. *Liikkeeseenlaskijan asiamies*) of the Notes referred to in the regulations of EFi (the "**Issuer Agent**") and the paying agent of the Notes (the "**Paying Agent**") is Danske Bank A/S, Finland Branch.

The issue date of the Notes is 19 May 2022 (the "**Issue Date**").

The Notes will be offered for subscription in a minimum amount of EUR 100,000. The principal amount of each book-entry unit (Fin. *arvo-osuuden yksikkökoko*) is one thousand euros (EUR 1,000). The maximum number of the Notes is seventyfive-thousand (75,000). Each Note will be freely transferable after it has been registered into the respective book-entry account.

2. Subscription of the Notes

The Notes shall be offered for subscription, subject to relevant selling restrictions, primarily to institutional investors outside of the United States, Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa or such other countries or otherwise in such circumstances in which the release, publication or distribution would be unlawful, through a book-building procedure (private placement). The subscription period (the "**Subscription Period**") of the Notes shall commence and end on 12 May 2022. By subscribing for Notes, each initial holder of Notes, and, by acquiring Notes, each subsequent holder of Notes agrees to be bound by these Terms and Conditions.

Bids for subscription shall be submitted to Danske Bank A/S, Finland Branch, Fixed Income Sales, Kasarmikatu 21 B, FI-00130 Helsinki, Finland, telephone +358 10 513 8756 or +358 10 513 8750 during the Subscription Period and within regular business hours.

Subscriptions made are irrevocable. All subscriptions remain subject to the final acceptance by the Issuer. The Issuer may, in its sole discretion, reject a subscription in whole or in part. The Issuer shall decide on the procedure in the event of over-subscription. After the final allocation and acceptance of the subscriptions by the Issuer, each investor that has submitted a subscription shall be notified by the Arranger whether and, where applicable, to what extent such subscription is accepted.

Subscriptions shall be paid for as instructed in connection with the subscription.

Notes subscribed and paid for shall be entered by the Issuer Agent to the respective book-entry accounts of the subscribers on a date advised by the Arranger in connection with the issuance of the Notes in accordance with the relevant provisions of Finnish law governing the book-entry system and book-entry accounts (Fin. *Laki arvo-osuusjärjestelmästä ja selvitystoiminnasta*) as well as regulations and decisions of EFi.

3. Use of Proceeds

The Issuer shall use the proceeds from the issue of the Notes, less costs and expenses incurred by the Issuer in connection with the issue of the Notes, for the repurchase of its outstanding EUR 50,000,000 1.250 per cent notes due 2023 issued on 17 September 2018, with ISIN code FI4000349089, and for general corporate purposes.

4. Issue Price

The issue price of the Notes is 99.882 per cent.

5. Interest

The Notes bear interest at the fixed rate of 3.375 per cent per annum.

Interest on the Notes will be paid annually in arrears commencing on 19 May 2023 and thereafter on each 19 May (each an "**Interest Payment Date**") until the Redemption Date (as defined below). Interest shall accrue for each interest period from and including the first day of the interest period to and excluding the last day of the interest period on the principal amount of Notes outstanding from time to time. The first interest period commences on (and includes) the Issue Date and ends on (but excludes) the first Interest Payment Date. Each consecutive interest period begins on (and includes) the previous Interest Payment Date and ends on (but excludes) the following Interest Payment Date. The last interest period ends on the Redemption Date (as defined below).

Interest in respect of the Notes will be calculated on the basis of the number of days elapsed in the relevant interest period divided by 365, or, in the case of a leap year, 366 (actual / actual ICMA).

6. Redemption

6.1 Redemption at Maturity

The Notes shall be repaid in full on 19 May 2028 (the "**Redemption Date**"), unless the Issuer has prepaid the Notes in accordance with Condition 6.2 (*Voluntary Total Redemption*), 6.3 (*Clean-up Call Option*), 10 (*Put Option Events*), 11 (*Redemption at the Option of the Issuer due to the Noteholder's Opposition of a Demerger*) or 12 (*Events of Default*) below. The Issuer shall on the Redemption Date redeem the Notes at a price equal to:

(a) 100 per cent of the outstanding principal amount of Notes if the Issuer has met both the thresholds defined under the Sustainability Performance Targets on the Target Observation Date;

(b) 100.375 per cent of the outstanding principal amount of Notes if the Issuer has met one of the thresholds but not the other threshold under the Sustainability Performance Targets on the Target Observation Date; and

(c) 100.75 per cent of the outstanding principal amount of Notes if the performance of the Issuer has met neither of the thresholds under the Sustainability Performance Targets on the Target Observation Date,

in each case, such Sustainability Performance Targets shall be evidenced by the publication of the relevant reports and Verification. In the event the Issuer does not provide and make public such information in its Sustainability Report or by way of a separate Sustainability-Linked Progress Report together with the applicable Verification in accordance with the reporting obligation below, the price for redemption on the Redemption Date shall be 100.75.

During the validity of the Notes the Issuer shall within 120 days from the beginning of each year publish on its website:

(a) a Sustainability Report which describes the Issuer's performance in relation to the Sustainability Performance Targets, or alternatively, the Issuer may choose to publish such information under a separate Sustainability-Linked Progress Report; and

(b) a Verification confirming the Group's performance in relation to the Sustainability Performance Targets.

For the purposes of this Condition 6.1

(a) "**Sustainability Performance Targets**" mean the reduction by the Issuer of scope 1 and 2 GHG emissions by 37.5 per cent per kilometre driven by the end of year 2027 from a baseline year 2018, and fuel emissions from contracted work-related transportation by 21 per cent by the end of year 2027 from a baseline year 2020, in each case as further specified in the Sustainability-Linked Bond Framework.

(b) "**Sustainability-Linked Bond Framework**" means the Issuer's sustainability-linked bond framework adopted by the Issuer on 5 May 2022, establishing the Issuer's key performance indicators and Sustainability Performance Target(s) in line with the ICMA Sustainability-Linked Bond Principles.

(c) "**Sustainability-Linked Progress Report**" means the Issuer's status report on an annual basis during the validity of the Notes and for the Target Observation Date and all relevant information needed to assess whether the performance of the Issuer is meeting the applicable levels set out in the Sustainability-Linked Bond Framework.

(d) "**Sustainability Report**" means the annual report by the Issuer on its general sustainability performance and measures, including *inter alia*, information needed to assess whether the performance of the Issuer is meeting the applicable levels set out in the Sustainability-Linked Bond Framework for the Target Observation Date unless the Issuer reports such information separately by way of a Sustainability-Linked Progress Report.

(e) "**Target Observation Date**" means 31 December 2027.

(f) "**Verification**" means, a verification by KPMG, or by any other qualified external reviewer with relevant expertise (such as an auditor or an environmental consultant) appointed by the Issuer replacing the same, of the performance of the Issuer in relation to the Sustainability Performance Targets.

6.2 Voluntary Total Redemption

The Issuer may redeem the Notes, in whole but not in part, at any time during the period commencing on the first Business Day (as defined below under Condition 8 (*Payments*)) falling three (3) months prior to the Redemption Date (such Business Day included) and ending on the Redemption Date (the Redemption Date excluded) (the "**Voluntary Redemption Period**") (three-month par call), at an amount equal to one hundred (100) per cent of their nominal principal amount together with any accrued but unpaid interest to but excluding the date of voluntary redemption (the "**Voluntary Redemption Date**").

If the Issuer has not by the time the Voluntary Redemption Period begins reached both of the Sustainability Performance Targets, or if it has not published on its website the required information relating to the same in accordance with Condition 6.1, the amount payable by the Issuer at the relevant Voluntary Redemption Date shall be increased by 0.75 per cent. In the event only one of the Sustainability Performance Targets have been reached and supporting evidence relating to the same has been made public, the amount payable by the Issuer at the relevant Voluntary Redemption date shall be increased by 0.375 per cent.

Redemption in accordance with this Condition 6.2 shall be made by the Issuer giving not less than ten (10) but no more than sixty (60) calendar days' irrevocable notice which shall specify the Voluntary Redemption Date, which shall be a Business Day within the Voluntary Redemption Period, to the Issuer Agent and the holders of the Notes, in accordance with Condition 15 (*Notices and Right to Information*).

6.3 Clean-up Call Option

If at any time the nominal principal amount of the outstanding Notes is twenty-five (25) per cent or less of the aggregate nominal amount of the Notes issued at any time, the Issuer may, at its option, at any time, by giving not less than fifteen (15) nor more than forty-five (45) days' notice to the Noteholders (which notice shall be irrevocable and specify the date fixed for redemption) in accordance with Condition 15 (*Notices and Right to Information*), elect to redeem all of the outstanding Notes in whole, but not in part at their nominal principal amount together with any accrued but unpaid interest to, but excluding, the date of redemption.

7. Status and Security

The Notes constitute direct, unconditional, unguaranteed, unsecured and unsubordinated obligations of the Issuer ranking *pari passu* among each other and at least *pari passu* with all other unsecured, unguaranteed and unsubordinated indebtedness of the Issuer, save for such obligations as may be preferred by mandatory provisions of law.

8. Payments

Interest on and principal of the Notes shall be paid in accordance with the relevant provisions of Finnish law governing the Finnish book-entry securities system and book-entry accounts (Fin. *Laki arvo-osuusjärjestelmästä ja selvitystoiminnasta*) as well as the regulations and decisions of EFi.

Should any Interest Payment Date, the Optional Redemption Date, the Prepayment Date (as defined below in Condition 10 (*Put Option Events*)) or the Redemption Date fall on a date which is not a Business Day (as defined below), the payment of the amount due will be postponed to the next following Business Day. The postponement of the payment date shall not have an impact on the amount payable.

In these Terms and Conditions, a "**Business Day**" shall generally mean a day on which the deposit banks are open for business in Helsinki, but for payment purposes, a Business Day shall mean a day when the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open and the Infinity system is operative.

9. Negative Pledge

For as long as any of the Notes remains outstanding, the Issuer shall not, and shall procure that none of its subsidiaries (as defined below under Condition 12 (*Events of Default*)) will, create any mortgage, charge, lien, pledge or other security interest to secure any other notes, bonds or other similar debt securities issued after the issuance of the Notes that would be capable of being listed on a stock exchange or subject to trading in a regulated market or a multilateral trading facility (nor create any such security interest to secure any guarantee or indemnity over such notes or other securities), unless the granting of such security interest is required under Finnish law or other law governing such notes, bonds or other debt securities, or unless prior to or simultaneously therewith the Issuer's obligations under the Notes either (a) are secured equally and rateably therewith or (b) have the benefit of such other security interest or other arrangement (whether or not it includes the granting of a security interest) as shall be approved by a resolution of the Noteholders (as defined below)).

10. Put Option Events

10.1 Each of the following events which occurs after the Issue Date shall constitute a Put Option Event:

(a) Any person or group of persons acting in concert, directly or indirectly, gaining control of the Issuer.

(b) the Board of Directors of the Issuer having signed a plan for a Demerger (as defined below).

10.2 Upon occurrence of a Put Option Event specified in sub-condition 10.1 above, the Issuer shall notify the Noteholders in accordance with Condition 15 (*Notices and Right to Information*) of the relevant Put Option Event. Such notice must be published in respect of sub-condition 10.1(a) promptly after the Issuer becoming aware of such event, and in respect of sub-condition 10.1(b), no later than on the date that the announcement of the Demerger is published in the form of a stock exchange release.

10.3 On the Prepayment Date (as defined below), the Issuer shall prepay the nominal principal amount (without any premium or penalty) of, and the interest accrued on, the Notes held by the Noteholders who have required prepayment of Notes held by them by a written notice to be given to the Issuer no later than fifteen (15) Business Days before the Prepayment Date. Interest on the Notes accrues until the Prepayment Date (excluding the Prepayment Date).

10.4 Any Noteholder whether or not it elects to exercise the right to require prepayment in the case of a Demerger specified in sub-condition 10.1(b) above is deemed to have waived any and all statutory rights under Finnish law to oppose the Demerger in its capacity as a Noteholder.

10.5 Each Noteholder that elects to exercise the right to require prepayment in the case of a Demerger specified in sub-condition 10.1(b) above has to confirm in writing that it will not oppose the Demerger or, if it already has opposed the Demerger, is obliged to withdraw any notice of opposing the Demerger on the Prepayment Date at the latest, provided that the Issuer has paid the relevant redemption amount on the Prepayment Date. Further, without prejudice to the Noteholders' primary obligation to withdraw any notices opposing the Demerger, the Noteholders have by these Terms and Conditions irrevocably authorised the Issuer to represent them with respect to the Finnish Trade Register in order to withdraw the notices opposing the Demerger following the payment of the relevant prepayment amount.

"**acting in concert**" (Fin. *yksissä tuumin toimiminen*) means a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition by any of them, either directly or indirectly, of shares in the Issuer, to obtain or consolidate control of the Issuer;

"**control**" means either:

(a) ownership of shares of the Issuer representing more than 50 per cent of the total voting rights (being votes which are capable of being cast generally at meetings of shareholders) represented by the shares of the Issuer; or

(b) capability to appoint or remove at least the majority of the board of directors of the Issuer.

"**Demerger**" means a demerger pursuant to Chapter 17 of the Finnish Companies Act (624/2006, as amended from time to time) (Fin. *Osakeyhtiölaki*).

"**Group**" has the meaning set out in Condition 12 (*Events of Default*).

"**Prepayment Date**" means the date falling forty-five (45) Business Days after:

(a) the Issuer's notification referred to in sub-condition 10.2 concerning sub-condition 10.1(a) above; or

(b) the publication of the notice referred to in sub-condition 10.2 concerning sub-condition 10.1(b) above.

"**Put Option Event**" has the meaning specified in sub-condition 10.1 above.

11. Redemption at the Option of the Issuer due to the Noteholder's Opposition of a Demerger

In the event that any Noteholder opposes a Demerger (which, for the avoidance of doubt, is not permitted by these Terms and Conditions), the Issuer may, by giving not less than ten (10) days' notice to the Noteholders in accordance with Condition 15 (*Notices and Right to Information*) (which notice shall be irrevocable and specify the redemption date), redeem the Notes held by the Noteholders who have opposed or shall oppose the Demerger. In such case the redemption shall take place at the nominal principal amount of the redeemed Notes together with any accrued interest but without any premium or penalty. Each such Noteholder is obliged to withdraw any notice of opposing the Demerger on the redemption date specified in the Issuer's notice at the latest, provided that the Issuer has paid the relevant redemption amount on such redemption date. Further, without prejudice to the Noteholders' primary obligation to withdraw any notices opposing the Demerger, the Noteholders have by these Terms and Conditions irrevocably authorised the Issuer to represent them with respect to the Finnish Trade Register in order to withdraw the notices opposing the Demerger following the payment of the relevant redemption amount.

12. Events of Default

If an Event of Default (as defined below) occurs, any Noteholder may by a written notice to the Issuer declare the outstanding nominal principal amount of such Note together with the interest accrued on such Note to be prematurely due and payable at the earliest on the tenth (10th) Business Day from the date such notice was received by the Issuer *provided* that an Event of Default is continuing (thus, it is not waived) on the date of receipt of the notice and on the specified early repayment date. Interest accrues until (but excluding) the early repayment date.

Each of the following events shall constitute an **Event of Default**:

(a) non-payment: any amount of interest on or principal of the Notes has not been paid within five (5) Business Days from the relevant due date, unless the failure to pay is caused by a reason referred to in Condition 16 (*Force Majeure*);

(b) the Issuer does not comply with its obligations under Condition 9 (*Negative Pledge*);

(c) Cross-default: Any outstanding Indebtedness (as defined below) of the Issuer or any of its Material Subsidiaries (as defined below) in a minimum amount of five million euros (EUR 5,000,000) or its equivalent in any other currency is accelerated prematurely because of an event of default, howsoever described, or if any such Indebtedness is not repaid on the due date thereof as extended by applicable grace period, if any, or if any security given by the Issuer for any such Indebtedness becomes enforceable by reason of an event of default. A Noteholder shall not be entitled to demand repayment under this paragraph (c) if the Issuer or any of its Material Subsidiaries has bona fide contested the existence of the occurrence of an Event of Default under this paragraph (c) as long as it has not been finally and adversely adjudicated against the Issuer or the Material Subsidiary, as applicable, without any appeal period;

"**Indebtedness**" means, for the purposes of these Terms and Conditions, interest bearing debt including guarantees (whether principal, premium, interest or other amounts) in respect of any notes, bonds or other debt securities or any borrowed money of the Issuer or any of its Material Subsidiaries, excluding all intra-group loans.

(d) Cessation of Business: The Issuer ceases to carry on its current business in its entirety;

(e) Winding-up: An order is made or an effective resolution is passed for the winding-up (Fin. *selvitystila*), liquidation or dissolution of the Issuer or any of its Material Subsidiaries except for (i) actions which are frivolous (Fin. *perusteeton*) or vexatious (Fin. *oikeuden väärinkäyttö*), or (ii) in the case of a Material Subsidiary, on a voluntary solvent basis or (iii) such applications that are contested in good faith and as long as such application has not been finally and adversely adjudicated against the Issuer or its Material Subsidiary without any appeal period; and

(f) Insolvency: (i) The Issuer or any of its Material Subsidiaries becomes insolvent or is unable to pay its debts as they fall due; (ii) the Issuer or any of its Material Subsidiaries makes a general assignment or an arrangement or composition with or for the benefit of its creditors (excluding any Noteholder in its capacity as such) or (iii) an application is filed for the Issuer or any of its Material Subsidiaries being subject to bankruptcy (Fin. *konkurssi*) or re-organisation proceedings (Fin. *yrityssaneeraus*), or for the appointment of an administrator or liquidator of any of the Issuer's or its Material Subsidiaries' assets, save for any such applications that are contested in good faith and discharged, stayed or dismissed within forty-five (45) days.

"**Material Subsidiary**" means for the purposes of these Terms and Conditions, at any time, any subsidiary of the Issuer:

(a) whose net sales (consolidated in the case of a subsidiary which itself has subsidiaries) or whose total assets (consolidated in the case of a subsidiary which itself has subsidiaries) represent not less than ten (10) per cent of the consolidated net sales or the consolidated total assets of the Issuer's group (as defined below) taken as a whole, all as calculated by reference to the then most recent audited financial statements (consolidated or, as the case may be, unconsolidated) of such subsidiary and the then most recent audited consolidated financial statements of the Issuer's group; or

(b) to which is transferred the whole or substantially the whole of the sales or assets and undertakings of a subsidiary which, immediately prior to such transfer, was a Material Subsidiary.

"**subsidiary**" and "**group**" mean a subsidiary and a group within the meaning of Chapter 1, Section 6 of the Bookkeeping Act (1336/1997, as amended) (Fin. *kirjanpitolaki*).

In respect of an Event of Default specified in sub-Clause (b) – (f) above, the Issuer shall notify each Noteholder in accordance with Condition 15 (*Notices and Right to Information*) without undue delay after becoming aware of the respective Event of Default.

13. Taxation

All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of Finland or any political subdivision of, or any authority in, or of, Finland having power to tax, unless the withholding or deduction of the Taxes is required by law. In such case, the Issuer shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. The Issuer will not be obligated to make any additional payments to the Noteholders in respect of such withholding or deduction.

14. Noteholders' Meeting and Procedure in Writing

(a) The Issuer may convene a meeting of Noteholders (a "**Noteholders' Meeting**") or request a procedure in writing among the Noteholders (a "**Procedure in Writing**") to decide on amendments of these Terms and Conditions or other matters as specified below. EFi and the Issuer Agent must be notified of a Noteholders' Meeting or a Procedure in Writing in accordance with the rules of EFi.

(b) Notice of a Noteholders' Meeting and the initiation of a Procedure in Writing shall be published in accordance with Condition 15 (*Notices and Right to Information*) no later than ten (10) calendar days prior to the Noteholders' Meeting or the last day for replies in the Procedure in Writing. Furthermore, the notice or the initiation shall specify the time, place and agenda of the Noteholders' Meeting or the last day and address for replies in the Procedure in Writing (or if the voting is to be made electronically, instructions for such voting) as well as any action required on the part of a Noteholder to attend the Noteholders' Meeting or to participate in the Procedure in Writing. No matters other than those referred to in the notice of Noteholder's Meeting or initiation of the Procedure in Writing may be resolved upon at the Noteholders' Meeting or the Procedure in Writing.

(c) Only those who, according to the register kept by EFi in respect of the Notes, were registered as Noteholders on the fifth (5th) Business Day prior to the Noteholders' Meeting or on the last day for replies in the Procedure in Writing on the list of Noteholders to be provided by EFi in accordance with Condition 15 (*Notices and Right to Information*), or proxies authorised by such Noteholders, shall, if holding any of the principal amount of the Notes at the time of the Noteholders' Meeting or the last day for replies in the Procedure in Writing, be entitled to vote at the Noteholders' Meeting or in the Procedure in Writing and shall be recorded in the list of the Noteholders present in the Noteholders' Meeting or participating in the Procedure in Writing.

(d) A Noteholders' Meeting shall be held in Helsinki, Finland, and its chairman shall be appointed by the Issuer.

(e) A Noteholders' Meeting or a Procedure in Writing shall constitute a quorum only if two (2) or more Noteholders holding in aggregate at least fifty (50) per cent of the principal amount of the Notes outstanding or one (1) Noteholder holding one hundred (100) per cent of the principal amount of the Notes outstanding are/is present (in person or by proxy) in the Noteholders' Meeting or provide/provides replies in the Procedure in Writing. Any holdings of the Notes by the Issuer and any companies belonging to its Group are not included in the assessment whether or not a Noteholders' Meeting or a Procedure in Writing shall constitute a quorum.

(f) If, within thirty (30) minutes after the time specified for the start of the Noteholders' Meeting, a quorum is not present, any consideration of the matters to be dealt with at the Noteholders' Meeting may, at the request of the Issuer, be adjourned for consideration at a Noteholders' Meeting to be convened on a date no earlier than ten (10) calendar days and no later than forty-five (45) calendar days after the original Noteholders' Meeting at a place to be determined by the Issuer. Correspondingly, if by the last day to reply in the Procedure in Writing no quorum is reached, the time for replies may be extended as determined by the Issuer, however not less than ten (10) and no more than forty-five (45) calendar days. The adjourned Noteholders' Meeting or the extended Procedure in Writing shall constitute a quorum if two (2) or more Noteholders holding in aggregate at least ten (10) per cent of the principal amount of the Notes outstanding or one (1) Noteholder holding one hundred (100) per cent of the principal amount of the Notes outstanding are/is present in the adjourned Noteholders' Meeting or provide/provides replies in the extended Procedure in Writing.

(g) Notice of an adjourned Noteholders' Meeting or the extension of the time for replies in the Procedure in Writing, shall be given in the same manner as notice of the original Noteholders' Meeting or the Procedure in Writing. The notice shall also state the conditions for the constitution of a quorum.

(h) Voting rights of the Noteholders shall be determined according to the principal amount of the Notes held on the date referred to in Condition 14(c) above. The Issuer and any companies belonging to its Group shall not hold voting rights at the Noteholders' Meeting or in the Procedure in Writing.

(i) Subject to Condition 14(j) below, resolutions shall be carried by a majority of more than fifty (50) per cent of the votes cast.

(j) A Noteholders' Meeting or a Procedure in Writing is entitled to make the following decisions that are binding on all the Noteholders:

(i) to amend these Terms and Conditions; and

(ii) to grant a temporary waiver on these Terms and Conditions.

However, consent of at least seventy-five (75) per cent of the aggregate principal amount of the outstanding Notes is required to:

(i) decrease the principal amount of or interest on the Notes;

(ii) extend the maturity of the Notes;

(iii) amend the requirements for the constitution of a quorum at a Noteholders' Meeting or Procedure in Writing; or

(iv) amend the majority requirements of the Noteholders' Meeting or Procedure in Writing.

The consents can be given at a Noteholders' Meeting, in the Procedure in Writing or by other verifiable means.

The Noteholders' Meeting and the Procedure in Writing can authorise a named person to take necessary action to enforce the decisions of the Noteholders' Meeting or of the Procedure in Writing.

(k) When consent from the Noteholders representing the requisite majority, pursuant to Condition 14(i) or Condition 14(j), as applicable, has been received in the Procedure in Writing, the relevant decision shall be deemed to be adopted even if the time period for replies in the Procedure in Writing has not yet expired, provided that the Noteholders representing such requisite majority are registered as Noteholders on the list of Noteholders provided by EFi in accordance with Condition 15 (*Notices and Right to Information*) on the date when such requisite majority is reached.

(l) A representative of the Issuer and a person authorised to act for the Issuer may attend and speak at a Noteholders' Meeting.

(m) Resolutions passed at a Noteholders' Meeting or in the Procedure in Writing shall be binding on all Noteholders irrespective of whether they have been present at the Noteholders' Meeting or participated in the Procedure in Writing, and irrespective of how and if they have voted.

(n) Resolutions passed at a Noteholders' Meeting or in the Procedure in Writing shall be notified to the Noteholders in accordance with Condition 15 (*Notices and Right to Information*). In addition, Noteholders are obliged to notify subsequent transferees of the Notes of the resolutions of the Noteholders' Meeting or the Procedure in Writing. Furthermore, EFi must be notified of the resolutions passed at the Noteholders' Meeting or in the Procedure in Writing in accordance with the rules of EFi.

The Issuer shall have the right to amend the technical procedures relating to the Notes in respect of payments or other similar matters without the consent of the Noteholders, a Noteholders' Meeting or a Procedure in Writing. For the sake of clarity, any resolution at a Noteholders' Meeting or in a Procedure in Writing, which extends or increases the obligations of the Issuer, or limits, reduces or extinguishes the rights or benefits of the Issuer, shall be subject to the consent of the Issuer.

15. Notices and Right to Information

Noteholders shall be advised of matters relating to the Notes by (i) a notice published in Helsingin Sanomat or any other major Finnish daily newspaper selected by the Issuer or (ii) with a stock exchange release. Additionally, the Issuer may deliver notices on the Notes in writing directly to the Noteholders at the address appearing on the list of Noteholders provided by EFi in accordance with the below paragraph. Any such notice shall be deemed to have been received by the Noteholders when published in any manner specified in this Condition 15 (*Notices and Right to Information*).

The Noteholders consent to Issuer being entitled to obtain information on the Noteholders, their contact details and their holdings of the Notes registered in the relevant book-entry securities system from EFi and EFi shall be entitled to provide such information to the Issuer notwithstanding any secrecy obligation applicable to the same. If requested by the Issuer Agent, the Issuer shall promptly obtain such information from EFi and provide it to the Issuer Agent. The Issuer may also on a case by case basis authorise the Issuer Agent or any third party to receive the information referred to above from EFi.

16. Force Majeure

The Issuer, the Arranger, the Issuer Agent or the Paying Agent shall not be responsible for any losses of the Noteholders resulting from:

(a) action of the authorities, war or threat of war, rebellion or civil unrest;

(b) disturbances in postal, telephone or electronic communications or the supply of electricity which are due to circumstances beyond the reasonable control of the Issuer, the Arranger, the Issuer Agent or the Paying Agent and that materially affect operations of any of them;

(c) any interruption of or delay in any functions or measures of the Issuer, the Arranger, the Issuer Agent or the Paying Agent as a result of fire or other similar disaster;

(d) any industrial action, such as strike, lockout, boycott or blockade affecting materially the activities of the Issuer, the Arranger, the Issuer Agent or the Paying Agent even if it only affects part of the employees of any of them and whether any of them is involved therein or not; or

(e) any other similar force majeure or hindrance which makes it unduly difficult to carry on the activities of the Issuer, the Arranger, the Issuer Agent or the Paying Agent.

17. Prescription

In the case any payment under the Notes has not been claimed by the respective Noteholder entitled to this payment within three (3) years from the original due date thereof, the right to such payment shall be forfeited by such Noteholder and the Issuer shall be permanently free from such payment.

18. Further Issues

The Issuer may from time to time, without the consent of or notice to the Noteholders, create and issue further Notes to which the same Terms and Conditions as the Notes apply in all respects (or in all respects except for the first payment of interest on them, the issue price and/or the minimum subscription amount thereof) by increasing the maximum principal amount of the Notes or otherwise. For the avoidance of doubt, this Condition 18 shall not limit the Issuer's right to issue any other notes.

19. Information

Copies of the documents relating to the Notes shall be available for inspection during office hours at the office of the Issuer at Valimotie 27, 00380 Helsinki, Finland and at Danske Bank A/S, Finland Branch, Kasarmikatu 21 B, Helsinki, FI 00130 Helsinki, Finland.

20. Listing and Secondary Market

An application will be made to, with the aim of having the Notes listed on, the official list of Nasdaq Helsinki Ltd.

21. Purchases

The Issuer may at any time purchase Notes in any manner and at any price it deems appropriate. If the purchases are made by a tender offer, tender offers must be available to all Noteholders alike. The Issuer shall in its sole discretion be entitled to cancel, dispose of or hold the Notes so purchased.

22. Applicable Law and Jurisdiction

The Notes, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Finland.

Any disputes relating to the Notes shall be settled in the Finnish courts, the District Court of Helsinki (Fin. *Helsingin käräjäoikeus*) being the court of first instance.

ADDITIONAL INFORMATION ON THE ISSUE OF THE NOTES

Form of the Notes:	Securities in dematerialised, book-entry form issued in the Infinity book-entry securities system maintained by Euroclear Finland.
Currency of the securities issue:	The Notes are denominated in euros.
Depository and settlement system:	Euroclear Finland Ltd, Urho Kekkosen katu 5 C, FI-00100, Helsinki, Infinity-system of Euroclear Finland.
Decisions and authorisations:	Decision of the Board of Directors of the Issuer on 26 April 2022.
Effective yield of the Notes:	At the issue price of 99.882 per cent, the effective yield of the Notes is 3.397 per cent per annum.
Rate of interest of the Notes:	3.375 per cent per annum.
Lead Manager:	Danske Bank A/S.
Issuing Agent:	Danske Bank A/S, Finland Branch.
Publication date and investors:	The result of the Offering was announced on 12 May 2022 and the Notes were allocated mainly to institutional investors.
Listing:	Application will be made to have the Notes listed on the main list of Nasdaq Helsinki.
Estimated time of Listing:	By the end of May 2022.
Interests the Lead Manager:	Business interest normal in the financial markets. In addition, the Lead Manager has granted Lassila & Tikanoja a revolving credit facility in the amount of EUR 40 million.
Tender Offer:	On 6 May 2022, Lassila & Tikanoja announced a tender offer for its outstanding EUR 50,000,000 1.250 per cent notes due 2023 issued on 17 September 2018, with ISIN code FI4000349089 (the "**2023 Notes**"), for cash on the terms and conditions set out in the tender offer memorandum dated 6 May 2022. The purchase price in the offer was EUR 1,005.00 per EUR 1,000 nominal amount of the 2023 Notes. The offer expired at 4:00 pm Finnish time on 12 May 2022. Lassila & Tikanoja successfully repurchased 2023 Notes with an aggregate nominal value of EUR 32,270,000. The settlement date is set to 23 May 2022.
Estimated net amount of the proceeds:	The aggregate net proceeds to the Company from the Offering, after deduction of the fees and expenses payable by Lassila & Tikanoja, will be approximately EUR 74.6 million
Estimated expenses related to the Offering:	The fees and expenses incurred in connection with the Offering and payable by the Issuer amount in aggregate to an estimated EUR 0.35 million.
Use of proceeds:	The Issuer shall use the proceeds from the issue of the Notes, less costs and expenses incurred by the Issuer in connection with the issue of the Notes, for the repurchase of the 2023 Notes and for general corporate purposes.

Date of the entry of the Notes to the book-entry system: Notes subscribed and paid for have been entered by the Issuing Agent to the respective book-entry accounts of the subscribers on 19 May 2022 in accordance with the Finnish legislation governing book-entry system and book-entry accounts as well as regulations and decisions of Euroclear Finland.

BUSINESS OVERVIEW

Overview

The legal name of the Issuer is Lassila & Tikanoja Oyj, in English Lassila & Tikanoja plc. Lassila & Tikanoja is a public limited liability company organised and operating under the laws of Finland. Lassila & Tikanoja is registered in the Finnish Trade Register under business identity code 1680140-0 and is domiciled in Helsinki, Finland. The Issuer's registered address is Valimotie 27, FI-00380 Helsinki, Finland, and its telephone number is +358 (0) 10636111. The Issuer's LEI code is 743700Z9Z54VGHZA0028. The shares of Lassila & Tikanoja are listed on Nasdaq Helsinki Ltd ("**Nasdaq Helsinki**").

Lassila & Tikanoja is a Finnish service company with a mission to make the circular economy a reality. Lassila & Tikanoja creates solutions for mitigating climate change and biodiversity loss, and promotes the transition to a sustainable economy. Lassila & Tikanoja's customer base consists of private customers, corporate customers and public-sector operators. Together with its customers, Lassila & Tikanoja aims to keep materials and properties in productive use for as long as possible and increases the efficiency of the use of raw materials and energy. By investing in sustainable circular economy solutions, the Company creates value for its customers, personnel, the society in general, as well as for its shareholders. The Company's business operations are divided into four divisions: Environmental Services, Industrial Services, Facility Services Finland, and Facility Services Sweden.

The Group's headquarters is located in Helsinki. In addition to Finland, the Company operates in Sweden. For the year ended 31 December 2021, the Company's average number of employees, converted into full time equivalents, was 7,319. As at 31 December 2021, Lassila & Tikanoja had 8,171 full-time and part-time employees, of which, 7,003 worked in Finland and 1,168 in Sweden.

For the year ended 31 December 2021, the Group's net sales were EUR 812.5 million (EUR 751.9 million for the year ended 31 December 2020), and the operating profit was EUR 42.2 million (EUR 28.2 for the year ended 31 December 2020).

History

Lassila & Tikanoja was founded in 1905 as a wholesale business. In 1923, the Company began manufacturing clothes alongside its wholesale business and was one of the largest clothing manufacturers in Finland until the 1980s. From the 1960s, exports accounted for more than 50 per cent of its net sales, and the Company had substantial operations in several European countries. In 1961, The shares of Lassila & Tikanoja were listed on Nasdaq Helsinki (then Helsinki Stock Exchange).

In the 1980s, Lassila & Tikanoja expanded its operations through significant business acquisitions, such as the acquisition of 74 per cent of Säkkiväline Oy's shares. At the beginning of the 1990s, Lassila & Tikanoja was a multi-business group of companies, the operations of which were divided into the non-woven fabrics, flexi-packaging and webbing industries, the service industry and the clothing and footwear industries.

In 1995, Säkkiväline Oy became a wholly owned subsidiary of Lassila & Tikanoja. Its net sales experienced strong growth throughout the 1990s, and it represented nearly 50 percent of the Company's net sales at the end of the decade. The Company made considerable investments in waste recovery and recycling, while the cleaning business was developed further, and hazardous waste management was included in the range of services. Environmental product development focused particularly on products related to waste recovery.

On 30 September 2001, Lassila & Tikanoja plc was divided into two separate companies: Lassila & Tikanoja plc and Suominen Corporation. With this division, the Company assumed its present form. On 31 March 2002, Säkkiväline Oy merged into Lassila & Tikanoja and simultaneously, the Company introduced the L&T brand, which covers all of its divisions.

In 2007, Lassila & Tikanoja acquired the majority of the shares of Biowatti Oy (currently L&T Biowatti Oy), a leading Finnish bioenergy company. Lassila & Tikanoja redeemed the remaining shares of L&T Biowatti Oy in

2012. Through the acquisition of L&T Biowatti Oy, Lassila & Tikanoja expanded its operations in the field of renewable energy sources.

In August 2017, Lassila & Tikanoja acquired Veolia FM AB's (currently Lassila & Tikanoja FM AB) facility management business in Sweden and expanded its operations to Sweden especially in the field of hospital facility management.

In 2020, in response to a significant change in the business environment, Lassila & Tikanoja decided to discontinue its operations in Russia.

As of 1 January 2021, Lassila & Tikanoja plc incorporated its three divisions into separate limited liability companies. The Environmental Services and Industrial Services divisions were each incorporated as separate companies named L&T Ympäristöpalvelut Oy and L&T Teollisuuspalvelut Oy respectively. The Facility Services division's new companies were named L&T Siivous Oy, L&T Kiinteistöhuolto Oy and L&T Kiinteistötekniikka Oy.

During the first quarter of 2022, Lassila & Tikanoja's Industrial Services division expanded into the Swedish process cleaning market through the acquisition of Sand & Vattenbläst i Tyringe AB.

Uncertainty Related to the Russo-Ukranian War and COVID-19

As at the date of this Listing Prospectus, Ukraine is at war with Russia. As a response, a wide array of economic and other limiting sanctions have been imposed on Russia. The sanctions and countersanctions and export limitations imposed by Russia have considerably altered the import-export relations between Russia and the EU, reducing flow of goods and capital in and out of Russia. The Russo-Ukrainian war has significantly increased the price of oil and natural gas and further effects of the Russo-Ukrainian war are difficult to predict. Fluctuations in the world market price of crude oil are reflected in the price of fuel used in production equipment as well as in the purchase prices of environmental products through oil-based raw materials.

The COVID-19 pandemic has caused and may continue to cause a general reduction in business activity and financial transactions, lockdowns, quarantines, increased sick days, labour shortages, supply chain interruptions and overall economic and financial market instability. Although the COVID-19 pandemic's effect on Lassila & Tikanoja's own operations has been limited and mostly related to human resource planning, the Company's customers' restriction measures to limit the spread of COVID-19 have had a negative effect on certain Lassila & Tikanoja's segments, causing challenges particularly in one off work and project work. For example, during the first quarter of 2022, more contagious variants of COVID-19 caused a high level of sickness related absences, which increased production costs and weakened the sale of high-margin additional services. In addition, overlap of annual maintenance breaks has made resource optimisation more difficult increasing production costs due to increased subcontracting. The global shortage of components and raw materials caused by the COVID-19 pandemic has also been reflected on Lassila & Tikanoja through its customers, which has been reflected in a reduced amount of orders. Although the effects of the COVID-19 pandemic have reduced since the initial outbreak in 2020, the duration of the COVID-19 pandemic and its future impact on the global market cannot be accurately predicted. For example, the emergence of new COVID-19 variants could further prolong the pandemic and induce renewed economic disruptions causing similar challenges in the future.

Megatrends

Lassila & Tikanoja believes that global megatrends, such as climate change and increasing biodiversity loss, continuous growth of cities as well as changes in the working and labour environment, create business opportunities for Lassila & Tikanoja's business operations. Lassila & Tikanoja aims to be the responsible partner that businesses need in the transition to a circular economy and for example in the improvement of energy efficiency in properties.

Climate Change and Biodiversity Loss

Global megatrends, such as climate change and increasing biodiversity loss are accelerating the transition to a circular economy. Mitigating climate change and biodiversity loss requires circular economy actions from society, businesses and individuals. Lassila & Tikanoja believes that the correction towards a sustainable economy in the coming years will result in radical changes in energy systems, industrial engineering and the way resources are used and consumed. Furthermore, this development will be expedited by tighter regulations and increasing sustainability requirements. The significance of recycled materials as industrial raw materials will increase, as the EU is currently in the process of introducing more ambitious reuse and recycling targets for waste and packaging materials.

Growth of Cities

As cities continue to grow, the expectations concerning the built environment increase. Lassila & Tikanoja believes that the demand for innovative solutions that enable the building of sustainable urban infrastructure as well as healthy buildings and facilities will further increase. Properties are expected to have long life spans, and changes in the needs and uses of properties over the years need to be considered in the maintenance of existing properties as well as in the construction of new properties. In addition, Lassila & Tikanoja believes that sustainability requirements related to efficient energy use and recycling of waste will play an essential role in the construction of new properties in the future.

Changes in the Working and Labour Environment

Lassila & Tikanoja believes that the importance of the sense of meaningfulness in work is increasing and employees increasingly value inclusivity in the work place, and that these developments have a positive impact on Lassila & Tikanoja. However, challenges associated with the availability of labour have increased and are spreading to a larger number of professions. The labour market is becoming an applicant’s market. Lassila & Tikanoja believes that the decreasing size of age cohorts will further increase these challenges in the years to come and the measures used to promote the motivation and work ability of existing personnel in various career stages will become increasingly critical. In addition, the service sector will also become increasingly dependent on foreign workers posing challenges related to the currently insufficient level of work-related immigration.

Business Divisions

Lassila & Tikanoja is a Finnish service company with a mission to make the circular economy a reality. The Company’s business operations are divided into four divisions: Environmental Services, Industrial Services, Facility Services Finland, and Facility Services Sweden.

Environmental Services

Services provided by the Environmental Services division include waste management and recycling, circular economy services and renewable energy sources. Services in the Environmental Services division cover the full life cycle of material streams, from waste collection and pre-treatment processing to material sales. For the year ended 31 December 2021, the Environmental Services division’s net sales were EUR 320.5 million (compared to EUR 289.4 million for the year ended 31 December 2020).

In the use stage of materials, Lassila & Tikanoja facilitates the circulation of goods and provides support in the planning of environmental management. The Company offers tools for data-driven management and acts as a partner that helps customers develop their recycling-related operations. Moreover, Lassila & Tikanoja aims to ensure that customers achieve high recycling rates by providing waste containers that promote sorting. The Company seeks cost-effective processing and final disposal options even outside its network of plants.

Lassila & Tikanoja ensures that the collected material streams are processed in recycling plants or converted into secondary raw materials for industry or disposed in waste-to-energy plant. This enables the use of recycled raw materials in the production of new goods.

For energy producers, Lassila & Tikanoja supplies forest fuels, wood by-products and solid recovered fuels. The use of wood-based fuels helps customers cut down their use of fossil fuels and thereby reduce their carbon dioxide emissions.

Customers in the Company’s Environmental Services division mostly consist of corporate customers, including industrial, retail and logistics companies and property owners and managers. Lassila & Tikanoja aims to provide extensive support for its customers by developing new circular economy services and enhancing customer experience. Lassila & Tikanoja believes that this will be achieved by making the use of its services easy by investing into the professional competence of its personnel and improving employee experience.

Industrial Services

The Industrial Services division provides hazardous waste management, sewer maintenance, process cleaning and process area cleaning, and environmental construction services for a variety of industries, including the metal, forestry, chemistry, construction, retail and engineering industries, other corporate segments as well as the public sector. For the year ended 31 December 2021, the Environmental Services division's net sales were EUR 105.1 million (compared to EUR 101.8 million for the year ended 31 December 2020).

With the capacity to build comprehensive service packages for large industrial customers, Lassila & Tikanoja aims to be the most beneficial partner for industrial companies and a leading provider of comprehensive support service solutions. Support services are provided efficiently, making the management of these services as transparent and convenient as possible. In addition, Lassila & Tikanoja serves industrial, retail and public sector segments among others by helping customers recycle their hazardous waste and operate efficiently with respect to the cleaning and support services of their processes and production sites. The Company helps industrial enterprises process side streams and aims to further develop its services to benefit its customers.

In the coming years, Lassila & Tikanoja will continue to invest in the development of support services for large industrial sites in order to integrate services into major customers' processes and operating models through customer-driven service development and solutions. Services and operations are continuously developed for the benefit of customers in order to provide flexible and fast service to customers and in order to recognise customers' needs. In addition, Lassila & Tikanoja aims to continuously develop the competence of its own employees and recruit top candidates.

Facility Services

Lassila & Tikanoja has Facility Services operations in both Finland and Sweden. The Facility Services Finland division consists of two service lines: cleaning services and property services. The Facility Services Sweden division consists of technical services and cleaning. For the year ended 31 December 2021, the Facility Services Finland division's net sales were EUR 243.1 million (compared to EUR 232.3 million for the year ended 31 December 2020), and the Facility Services Sweden division's net sales were EUR 149.8 million (compared to EUR 134.5 million for the year ended 31 December 2020).

The services solutions for property owners reduce the overall property costs, enhance their use, improve energy efficiency and help maintain the value throughout a property's life cycle. Customers can outsource significant entities of their properties to Lassila & Tikanoja from property management to maintenance and upkeep. Lassila & Tikanoja also provides diverse facility and user services, along with building technology services.

Lassila & Tikanoja aims to offer high quality services with the consistent and systematic operating model and ensuring the availability of motivated and professionally competent personnel. Lassila & Tikanoja develops services in accordance with customer needs, creates new digital solutions to make using its services easy for customers and increase the transparency of operations by, among other things, the development of reporting practises. Lassila & Tikanoja focuses on selected customers and on improving customer experience and service based on data and creating new solutions to technically demanding buildings.

Competitive Environment

Lassila & Tikanoja's geographical markets consist of Finland and Sweden. Lassila & Tikanoja has a strong market position in all of its core markets. However, the markets in which Lassila & Tikanoja operates are highly competitive and there is a vast pool of competitors in each market. Typically, the competitive field consists of certain large companies with wide geographical coverage and service portfolio, and locally strong small and medium sized enterprises.

In the Facility Services division, the competition is intense, and the market is polarised into a vast pool of small companies and a handful of large companies. Although the environmental services and industrial services markets are more consolidated that the facility services markets, the markets are still competitive. Generally, in the material-related markets, the entry barriers are higher than in the facility-related markets due to the required investments.

Sales Network

The Company's most important sales channels include the direct interaction of division-specific sales organisations and seller networks with customers. In addition, the Company has customer service functions, including a telephone service and electronic customer contact channels. Each division has their own marketing and sales function.

Sustainability

Sustainability is an integral aspect of Lassila & Tikanoja's business, and Lassila & Tikanoja aims to contribute to the challenges related to climate change and sustainability by supporting its customers' sustainability efforts, reducing the environmental impacts of its operations, promoting employee well-being and diversity as well as ensuring the sustainability of its value chain. The most significant impacts of Lassila & Tikanoja's operations are reflected in the sustainability benefits created for customers. The value of the work Lassila & Tikanoja has done for customers can be seen in, for example, reduced carbon dioxide emissions due to Lassila & Tikanoja's solutions and an improved recycling rate, more efficient energy consumption or improved property user satisfaction. Lassila & Tikanoja's sustainability efforts cover the entire value chain of its business and takes an uncompromising approach to ensuring the compliance and sustainability of its operations. Lassila & Tikanoja's premise is that when it operates sustainably and creates sustainable added value for its various stakeholders, this also increases the value created for shareholders. Lassila & Tikanoja also creates value for society by replacing fossil materials with renewable raw materials and by replacing virgin natural resources with recycled raw materials. Lassila & Tikanoja regularly reports on the financial, environmental and social impacts of its operations, as well as tax footprint.

Lassila & Tikanoja continuously seeks to improve its results in the utilisation of customer materials, reduction of emissions and energy consumption, and development of circular economy solutions and services. Due to the nature and scale of its operations, Lassila & Tikanoja believes it can have a significant impact on the mitigation of – and adaptation to – climate change. Lassila & Tikanoja's goal is to systematically increase its carbon handprint, a metric which refers to the positive climate impact of its operations while reducing the carbon footprint of its operations. Lassila & Tikanoja's strategic objective is to halve the carbon footprint of its operations by 2030 and to reduce the indirect emissions generated by its supply chain. The emission reduction target set by Lassila & Tikanoja has been validated by the Science Based Targets initiative. The achievement of this objective will be promoted by switching to zero-emission transport technologies and fuels and by opting for renewable energy at Lassila & Tikanoja's properties.

Lassila & Tikanoja is committed to supporting key declarations and agreements, such as the UN Sustainable Development Goals (since 2018), Global Compact principles (since 2018), International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work and the Universal Declaration of Human Rights. Professional waste treatment is subject to environmental permits and regulatory compliance in operations, and as at 31 December 2021, Lassila & Tikanoja had 65 environmental permits that determined how the Group managed and monitored environmental matters.

As a large employer and service company, Lassila & Tikanoja bears social responsibility by looking after the occupational well-being and work ability of its employees, as well as by ensuring equality and diversity. Lassila & Tikanoja believes that good employee experience goes hand in hand with good customer experience. Lassila & Tikanoja wants to promote fair treatment in the society in cooperation with customers through employment.

Lassila & Tikanoja recognises its environmental and employer obligations and the environmental impacts of its operations. In its supply chain, Lassila & Tikanoja evaluates and monitors the responsibility of its suppliers and requires its partners to operate in accordance with Lassila & Tikanoja's sustainability principles. Lassila & Tikanoja requires its suppliers and subcontractors to comply with its code of conduct in all of their operations, which requires suppliers to continuously develop their operations according to instructions set out therein. The instructions require suppliers to take the initiative to promote environmental responsibility, for example reducing emissions from fuel consumption. Lassila & Tikanoja also encourages its suppliers to monitor developments in the area of environmental responsibility and to reduce the negative environmental impacts of their operations. Furthermore, Lassila & Tikanoja seeks new climate mitigation actions together with its suppliers. In addition to this, Lassila & Tikanoja recommends its suppliers to set greenhouse gas emission reduction targets for their own operations. To facilitate emission reductions across the full value chain, Lassila & Tikanoja will look into possible changes to the current procurement practices and continue to develop supplier engagement in order to promote the use of low-emission technology and fuels.

Organisational Structure

The parent company of the Group is Lassila & Tikanoja plc. In addition, Lassila & Tikanoja has subsidiaries in Finland and Sweden, and one associated company in Finland.

The following table sets forth the subsidiaries directly or indirectly owned by Lassila & Tikanoja as at the date of this Listing Prospectus:

Group companies	Country	Group's holding, per cent
L&T Relations Oy	Finland	100.0
L&T Toimi Oy	Finland	100.0
L&T Biowatti Oy	Finland	100.0
L&T Hankinta Ky	Finland	100.0
L&T Työllistämispalvelu Oy	Finland	100.0
L&T Kiinteistöhuolto Oy	Finland	100.0
L&T Kiinteistötekniikka Oy	Finland	100.0
L&T Siivous Oy	Finland	100.0
L&T Ympäristöpalvelut Oy	Finland	100.0
L&T Teollisuuspalvelut Oy	Finland	100.0
Serveco Oy(1	Finland	100.0
Sihvari Oy(1	Finland	100.0
Turun Seudun Hyötykuljetus Oy	Finland	100.0
Spectra yhtiöt Oy(1	Finland	100.0
Lassila & Tikanoja Service AB	Sweden	100.0
Lassila & Tikanoja FM AB	Sweden	100.0
Sand & Vattenbläst i Tyringe AB	Sweden	70.0
Cisternservice i Hässleholm AB	Sweden	70.0
Suomen Keräystuote Oy	Finland	40.0

1) In voluntary liquidation.

Research and Development

Research expenditure is recognised as an expense during the period in which it is incurred. Development expenditure is capitalised when the Company can demonstrate the technical feasibility and commercial potential of the product under development and when the acquisition cost can be reliably determined. Other development expenditure is recognised as an expense. The goal of product development is mainly to give Lassila & Tikanoja's service offering a competitive edge and thereby help the Company achieve its growth targets. For the year ended 31 December 2021, a total of EUR 1.7 million (EUR 1.1 million for the year ended 31 December 2020) in research and development expenses was recognised in the income statement.

Intellectual Property Rights

In its business operations, Lassila & Tikanoja uses business names, logos, trademarks and registered designs that it owns or has gained the right to use through its operations. In terms of the Company's business operations, its most significant intellectual property right is the trademark and business name "L&T". In addition, the Company has rights to the lt.fi, lassila-tikanoja.fi and lassila-tikanoja.com domain names.

Lassila & Tikanoja holds a few registered patents. Lassila & Tikanoja considers that the Group's business operations are not dependent on patents, licences or other aspects dependent on third parties.

Information Technology

Information technology is essential to Lassila & Tikanoja's business operations. Lassila & Tikanoja's ability to efficiently manage and maintain its operations and inventories, manage its logistics, deliver services and products to its customers in a timely manner, maintain the cost efficiency of its operations, respond to customers' sales enquiries and process sales transactions is dependent on information systems provided and supported by third parties, websites and similar information monitoring and communication systems. Lassila & Tikanoja is currently preparing for the deployment of a new ERP system for its Environmental Services division. In addition, it has recently upgraded its ERP system in the Facility Services Sweden division.

Acquisitions

Lassila & Tikanoja seeks growth both organically and through acquisitions. During 2021, Lassila & Tikanoja acquired companies, such as Serveco Oy, Sihvari Oy, and Spectra Oy. In the beginning of 2022, Lassila & Tikanoja acquired 70 per cent of Sand & Vattenbläst i Tyringe AB.

On December 17, 2021, Lassila & Tikanoja plc and Neova Oy signed an agreement to combine their fuel wood businesses. Neova's fuel wood business will be transferred to L&T Biowatti Oy, and with the transaction, the company will continue as an independent limited company. Lassila & Tikanoja's share of the joint venture will be 55 per cent and Neova's 45 per cent, but pursuant to the agreement, both parties will have joint control over the joint venture. The establishment of the joint venture requires the approval of the Competition and Consumer Authority and until then, the parties will continue their own business activities independently. The combination of the businesses is expected to be finalised by the end of 2022. L&T Biowatti Oy is reported as part of Environmental Services segment.

Insurance

Lassila & Tikanoja maintains insurance policies against certain risks, including coverage against damage to personnel, property and the environment as well as traffic and transport damage, liability damage and consequential loss that cover all of Lassila & Tikanoja's operating countries and subsidiaries. Furthermore, Group companies may acquire local insurances on a case-by-case basis in separately defined areas and as part of specific delivery contracts. The Company's management believes that Lassila & Tikanoja and its subsidiaries maintain insurance coverage that reflects the requirements and the size of each business and each subsidiary concerned.

Furthermore, the Company's management believes that all of Lassila & Tikanoja's properties and facilities are adequately insured in a manner consistent with market practice, and that the employees of Lassila & Tikanoja have been insured at least to the extent required by the respective local laws and regulations in each country of operation.

Regulatory Environment

Lassila & Tikanoja is subject to a wide variety of laws and regulations enacted on both global, EU and national level, most notably laws and regulations related to environmental protection, municipalisation waste and chemical management and disposal, emissions, health, safety, tax treatment of waste and renewable sources of energy, employment relationships, occupational safety, public procurement and consumers.

Strengthening environmental regulations arising from measures to prevent climate change have an impact on Lassila & Tikanoja's business operations. For example, the EU Green Deal is a comprehensive set of reforms by means of which the EU seeks to mitigate climate change and prevent biodiversity loss by decoupling economic growth and resource use. The reforms will have a wide-ranging impact on energy systems and the material economy, and will largely define Lassila & Tikanoja's business environment in the foreseeable future, as all eight thematic areas under the Green Deal are relevant to Lassila & Tikanoja's business. See also "*Changes in applicable laws and regulations or political decisions could have a material adverse effect on Lassila & Tikanoja's operations*".

As at the date of this Listing Prospectus, municipals have executive rights with respect to household waste and the power to decide how household waste is handled and collected under the Waste Act. In the field of household waste collection, the legislation allows three alternative collection systems. In most parts of Finland, a municipal operator organises the collection and competition in collection according to public procurement procedures, while in certain municipalities, waste collection is market based and allows waste collection providers to offer their services directly to customers. In addition, the current Waste Act enables a hybrid model comprising a mix of the two systems. The Waste Act lays down specific criteria for the provision of market-based waste collection, and municipal authorities are responsible for determining whether the criteria are fulfilled and whether the municipal in question is willing to organize waste collection on a market basis.

Amendments to the Waste Act entered into force on 19 July 2021, which include considerably stricter obligations relating to the separate collection of waste fractions. The reformed Waste Act will enter into force in stages between 1 July 2022 and 1 July 2024, and the exact effects of the reformed Waste Act on Lassila & Tikanoja's business are difficult to predict as at the date of this Listing Prospectus. The possibility of a dual waste transport system for housing properties will remain in place with regard to mixed waste, but its importance will decrease with the increase in the separate collection of packaging and biowaste. The reform of the Waste Act will increase the municipalisation in the collection of packaging materials and biowaste from housing properties and will, therefore, restrict the overall free market in the housing property market.

Legal Proceedings

Lassila & Tikanoja is involved in a limited number of legal proceedings that have arisen in the ordinary course of its business. However, as at the date of this Listing Prospectus, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened or which the Issuer is aware) in the past 12 months preceding the date of this Listing Prospectus, which may have or have in such period had significant effects on the Issuer and/or on the financial position or profitability of the Group.

Material Agreements

Other than as described below, the Company has not, outside the ordinary course of its business, entered into any material contracts which could result in Lassila & Tikanoja or any of its subsidiaries or associated companies being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to the Noteholders.

On 25 March 2022, the company signed a revolving credit facility of EUR 40 million tied to sustainability targets. The revolving credit facility matures in the first quarter of 2025. The agreement includes a one-year extension option. The agreement was signed with Danske Bank. The margin on the revolving credit facility takes into account Lassila & Tikanoja's progress towards achieving its three sustainability targets, including increasing the carbon handprint, meaning the emission savings generated by Lassila & Tikanoja's operations in relation to net sales, the scientific emission reduction target, according to which Lassila & Tikanoja's objective is to halve the carbon emissions from its own operations (scopes 1 and 2) per kilometre driven by 2030, compared to 2018 and improving occupational safety, as measured by the total recordable incident frequency (TRIF).

FINANCIAL INFORMATION AND PROSPECTS

Historical Financial Information

The financial information presented in this Listing Prospectus has been derived from Lassila & Tikanoja's unaudited consolidated interim report as at and for the three months ended 31 March 2022, including the comparative figures as at and for the three months ended 31 March 2021, and the audited consolidated financial statements as at and for the year ended 31 December 2021, including the comparative figures as at and for the year ended 31 December 2020, prepared in accordance with the International Financial Reporting Standards ("**IFRS**") as adopted by the EU. Save for the Company's audited consolidated financial statements as at and for the years ended 31 December 2021 and 2020, no other information presented in the Listing Prospectus has been audited.

The Issuer's interim report as at and for the three months ended 31 March 2022 and its audited consolidated financial statements as at and for the years ended 31 December 2021 and 2020 have been incorporated by reference into this Listing Prospectus. See "*Documents Incorporated by Reference*".

Alternative Performance measures

This Listing Prospectus includes certain financial measures, which, in accordance with the "*Alternative Performance Measures*" guidelines issued by the European Securities and Markets Authority (ESMA), are not accounting measures defined or specified in the IFRS, and are, therefore considered alternative performance measures ("**Alternative Performance Measures**").

Lassila & Tikanoja presents Alternative Performance Measures as additional information to financial measures presented in the consolidated statement of income, consolidated statement of financial position and consolidated cash flow statement prepared in accordance with IFRS. Lassila & Tikanoja believes that adjusted operating profit and EVA measures provide meaningful supplemental information to the financial measures presented in the consolidated income statement prepared in accordance with IFRS to Lassila & Tikanoja's management and the readers of consolidated financial statements i) in respect of the adjusted operating profit, excluding the costs arising from the discontinuation of business, costs arising from business restructurings, gains or losses arising from divestments and costs arising from acquisitions, thereby increasing comparability from period to period and ii) in case of EVA, subtracting the cost of invested capital (rolling 12-month quarterly average) from the operating profit, thereby measuring the economic value generated from funds invested in Lassila & Tikanoja's business operations. Lassila & Tikanoja presents cash flow from operating activities after investments per share as this measure in Lassila & Tikanoja's view provides additional information of the cash flow needs of Lassila & Tikanoja.

Lassila & Tikanoja presents return on equity and return on invested capital as complementing measures, which are, in Lassila & Tikanoja's view, useful measures of Lassila & Tikanoja's profitability. Lassila & Tikanoja presents gross capital expenditure, equity per share, equity ratio, gearing and net interest-bearing liabilities as complementing measures, which are, in Lassila & Tikanoja's view, useful measures of Lassila & Tikanoja's ability to obtain financing and service its debts.

Alternative Performance Measures used in this Listing Prospectus and their calculation formulas are specified below in section "*Calculation of Key Figures*". Numbers and measures used in the calculation of the Alternative Performance Measures presented in this Listing Prospectus and as specified in "*Calculation of Key Figures*" below, are available in the audited consolidated financial statements as at and for the year ended 31 December 2021, incorporated into this Listing Prospectus by reference. Reconciliations for certain Alternative Performance Measures for the financial years 2020–2021 are set out in section "*Reconciliation of Certain Alternative Performance Measures*" below.

Alternative performance measures are not accounting measures defined or specified in IFRS and, therefore, they are considered non-IFRS measures, which should not be viewed in isolation or as a substitute to the IFRS financial measures. Companies do not present Alternative Performance Measures in a uniform way and, therefore, the Alternative Performance Measures presented in this Listing Prospectus may not be comparable with similarly named measures presented by other companies.

Certain Financial Information

The following tables set forth selected consolidated financial information for the Company as at and for the three months ended 31 March 2022, including the comparative figures as at and for the three months ended 31 March 2021, and the audited consolidated financial statements as at and for the year ended 31 December 2021, including the comparative figures as at and for the year ended 31 December 2020.

CONSOLIDATED INCOME STATEMENT EUR million	For the three months ended 31 March 2022	2021	For the year ended 31 December 2021	2020
	(unaudited)		(audited, unless indicated otherwise)	
Net Sales	**210.4**	**192.0**	**812.5**	**751.9**
Other operating income	0.6	0.6	3.8	9.3
Materials and services[1]	-81.4	-71.6	-282.5[2]	255.3[2]
Employee benefit expenses	-88.7	-82.9	-342.6	-315.1
Other operating expenses	-27.4	-21.7	-95.9	-105.6
Depreciation, amortisation and impairment	-13.8	-12.7	-52.9	-57.0
Operating profit	**-0.3**	**3.7**	**42.2**	**28.2**
Financial income and expenses	-1.0	-0.6	-3.3	-4.9
Share of the result of associated companies	0.0	0.0	0.0	0.0
Result before taxes	-1.2	**3.2**	**39.0**	**23.3**
Income taxes	0.5	-0.6	-4.6	-4.3
Result for the period	**-0.7**	**2.6**	**34.4**	**19.0**
Attributable to:				
Equity holders of the company	-0.7	2.6	34.4	19.1
Non-controlling interest	–	–	–	-0.1
Earnings per share attributable to equity holders of the parent company:				
Earnings per share, EUR	-0.02	0.07	0.90	0.50
Diluted earnings per share, EUR	-0.02	0.07	0.90	0.50

1) As of 1 January 2022, change in inventory is no longer presented as a separate line item, but as part of "Materials and services". Thus, the comparative figures for the three months ended 31 March 2021 and for the years ended 31 December 2021 and 2020 have been adjusted to represent this change.
2) Unaudited.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME EUR million	For the three months ended 31 March 2022	2021	For the year ended 31 December 2021	2020
	(unaudited)		(audited)	
Result for the period	-0.7	**2.6**	**34.4**	**19.0**
Items not to be recognised through profit or loss				
Items arising from re-measurement of defined benefit plans	0.0	0.0	-0.0	-0.0
Items not to be recognised through profit or loss, total	0.0	**0.0**	**-0.0**	**-0.0**
Items potentially to be recognised through profit or loss				
Hedging reserve, change in fair value	0.4	0.1	0.3	0.1
Currency translation differences	-0.5	-1.4	-1.6	2.9
Currency translation differences recognised through profit or loss	–	–	–	2.6
Currency translation differences, non-controlling interest	–	–	–	-0.1
Items potentially to be recognised through profit or loss, total	**-0.0**	**-1.3**	**-1.3**	**5.4**
Other comprehensive income, total	-0.0	**-1.3**	**-1.4**	**5.4**
Total comprehensive income, after tax	-0.8	**1.3**	**33.0**	**24.4**
Attributable to:				
Equity holders of the company	-0.8	1.3	33.0	24.6
Non-controlling interests	–	–	–	-0.2

CONSOLIDATED STATEMENT OF FINANCIAL POSITION EUR million	As at 31 March 2022	2021	As at 31 December 2021	2020
	(unaudited)		(audited)	
ASSETS				
Non-current assets				
Intangible assets				
Goodwill	182.3	153.2	172.1	154.0
Other intangible assets	37.4	28.4	32.5	28.9
	219.7	**181.7**	**204.6**	**182.9**
Tangible assets	157.3	141.7	153.0	139.8
Right-of-use assets	71.9	72.8	69.8	70.9
	229.2	**214.5**	**222.8**	**210.7**
Other non-current assets				
Deferred tax assets	6.4	5.2	5.6	4.5
Other receivables	2.1	1.3	2.2	1.3
	8.5	**6.5**	**7.8**	**5.8**
Total non-current assets	**457.4**	**402.7**	**435.2**	**399.4**
Current assets				
Inventories	5.9	30.7	5.9	30.7
Trade receivables	74.9	73.3	86.8	82.9
Contract assets	30.6	25.1	22.8	19.4
Income tax receivables	5.7	3.8	7.3	3.1
Other receivables	11.3	11.1	10.4	10.9
Cash and cash equivalents	22.3	32.9	28.6	50.2
	150.6	**176.9**	**161.8**	**197.2**
Assets classified as held for sale	34.9	–	38.3	–
Total current assets	**185.5**	**176.9**	**200.0**	**197.2**
Total assets	**642.9**	**579.6**	**635.3**	**596.6**
EQUITY AND LIABILITIES				
Equity				
Equity attributable to equity holders of the parent company				
Share capital	19.4	19.4	19.4	19.4
Other reserves	-6.3	-6.3	-6.3	-5.0
Invested unrestricted equity reserve	0.6	0.6	0.6	0.6
Retained earnings	178.5	165.0	196.7	177.5
Total equity	**192.2**	**178.8**	**210.4**	**192.6**
Liabilities				
Non-current liabilities				
Deferred tax liabilities	31.2	27.4	30.2	28.3
Retirement benefit obligations	1.6	1.4	1.4	1.4
Provisions	8.2	7.1	8.1	7.1
Financial liabilities	180.4	155.8	175.8	155.4
Other liabilities	3.7	0.1	0.1	0.1
	225.0	**191.8**	**215.5**	**192.3**
Current liabilities				
Financial liabilities	40.4	28.7	19.9	31.3
Trade and other payables	169.4	177.4	172.3	177.7
Income tax liabilities	0.9	–	3.3	0.3
Provisions	2.8	2.8	2.7	2.4
	213.6	**209.0**	**198.1**	**211.8**
Liabilities related to assets classified as held for sale	12.2	–	11.2	–
Total liabilities	**450.8**	**400.8**	**424.9**	**404.0**
Total equity and liabilities	**642.9**	**579.6**	**635.3**	**596.6**

CONSOLIDATED STATEMENT OF CASH FLOWS EUR million	As at and for the three months ended 31 March 2022	2021	As at and for the year ended 31 December 2021	2020
	(unaudited)		(audited)	
Cash flows from operating activities				
Result for the period	-0.7	2.6	34.4	19.0
Adjustments	14.3	13.1	56.5	70.0
Net cash generated from operating activities before change in working capital	**13.6**	**15.7**	**90.9**	**89.0**
Change in working capital				
Change in trade and other receivables	5.3	3.6	-12.1	0.6
Change in inventories	3.1	-0.0	-1.9	-9.2
Change in trade and other payables	-5.8	-1.8	-1.0	10.7
Change in working capital	**2.5**	**1.8**	**-15.1**	**2.1**
Interest paid	-1.0	-0.8	-3.7	-3.9
Interest received	0.0	0.1	0.3	0.4
Income taxes paid	-1.3	-3.2	-6.7	-4.5
Net cash flow from operating activities	**13.9**	**13.5**	**65.6**	**83.0**
Cash flows from investing activities				
Acquisitions of subsidiaries and businesses, net of cash acquired	-13.3	–	-23.2	-1.6
Purchases of tangible and intangible assets[1]	-7.1	-9.4	-42.3	-45.0
Proceeds from sale of tangible and intangible assets[2]	0.2	0.2	1.7	7.5
Change in other non-current receivables	0.3	–	-0.1	0.1
Net cash used in investing activities	**-19.8**	**-9.2**	**-63.9**	**-39.0**
Net cash flow from operating and investing activities	**-6.0**	**4.3**	**1.7**	**44.0**
Cash flows from financing activities				
Proceeds from short-term borrowings	20.0	–	40.0	35.0
Repayments of short-term borrowings	–	-4.0	-55.0	-20.0
Proceeds from long-term borrowings	–	–	25.0	–
Repayments of long-term borrowings	–	–	–	0.1
Repayments of lease liabilities	-5.0	-4.4	-18.1	-16.2
Dividends paid	-15.3	-13.2	-15.2	-35.0
Net cash used in financing activities	**-0.3**	**-21.6**	**-23.4**	**-36.2**
Net change in cash and cash equivalents	-6.3	-17.3	-21.7	7.8
Cash and cash equivalents at beginning of period	28.6	50.2	50.2	41.8
Effect of changes in foreign exchange rates	-0.0	-0.0	-0.0	0.6
Cash and cash equivalents at end of the period	**22.3**	**32.9**	**28.6**	**50.2**

1) Equivalent to heading "Purchases of property, plant and equipment and intangible assets" in the interim report as at and for the year three months ended 31 March 2021 and the audited consolidated financial statements as at and for the year ended 31 December 2021 and 2020.

2) Equivalent to heading "Proceeds from sale of property, plant and equipment and intangible assets" in the interim report as at and for the year three months ended 31 March 2021 and the audited consolidated financial statements as at and for the year ended 31 December 2021 and 2020.

KEY FIGURES	As at 31 March 2022	2021	As at 31 December 2021	2020
	(unaudited)		(unaudited, unless otherwise indicated)	
Earnings per share, EUR	-0.02	0.07	0.90[1]	0.50[1]
Diluted earnings per share, EUR	-0.02	0.07	0.90[1]	0.50[1]
Net cash flow from operating activities after investments/share, EUR	-0.16	0.11	0.05	1.15
EVA, EUR million	-7.0	-2.5	15.9	3.7
Adjusted operating profit, EUR million	0.0	3.6	42.4	39.7
Gross capital expenditure, EUR million	28.5	9.4	72.3	48.2
Equity per share, EUR	5.04	4.69	5.52	5.05
Return on equity (ROE), per cent	-1.5	5.6	17.1	9.6
Invested capital, EUR million	413.0	363.4	406.0	379.2
Return on invested capital (ROI), per cent	-0.3	4.1	10.8	7.5
Equity ratio, per cent	30.4	31.6	33.7	33.0
Gearing, per cent	103.3	84.9	79.4	70.9
Net interest-bearing liabilities, EUR million	198.5	151.7	167.1	136.5
Average number of employees in full-time equivalents	7,055	6,846	7,319	7,197
Total number of full-time and part-time employees at end of period	8,367	8,033	8,171	8,139
Number of outstanding shares adjusted for issues, 1.000 shares:				
average during the period	38,129	38,108	38,111	38,103
at end of period	38,137	38,112	38,112	38,105
average during the period, diluted	38,156	38,120	38,127	38,118

1) Audited.

Calculation of Key Figures

Earnings per share, EUR	=	Result attributable to equity holders of the parent company / Adjusted average basic number of shares	
Diluted earnings per share, EUR	=	Result attributable to equity holders of the parent company / Adjusted average diluted number of shares	
Net cash flow from operating activities after investments/share, EUR	=	Net cash flow from operating and investing activities / Adjusted average basic number of shares	
EVA, EUR million	=	Operating profit – Cost calculated on invested capital (average of four quarters) The cost of capital invested is calculated using the Group's weighted average cost of capital ("**WACC**"). WACC: 2022 6.62 per cent, 2021 6.72 per cent, 2020 6.64 per cent	
Adjusted operating profit, EUR million	=	Operating profit +- Items affecting comparability	
Gross capital expenditure, EUR million	=	Investments in intangible and tangible assets excluding right-of-use assets and other adjustments including leased heavy vehicles and assets acquired through acquisitions	
Equity per share, EUR	=	Equity attributable to equity holders of the parent company / Adjusted basic number of shares at the balance sheet date	
Return on equity (ROE), per cent	=	Result for the period / Equity (average)	x 100
Invested capital, EUR million	=	Equity + Interest-bearing financial liabilities	
Return on invested capital (ROI), per cent	=	(Result before taxes + Financial expenses + net foreign exchange rate gains/losses from financial items) / Equity + Interest-bearing financial liabilities (average of the beginning of the period and at the end of the period)	x 100
Equity ratio, per cent	=	Equity / (Total equity and liabilities – Advances received)	x 100
Gearing, per cent	=	Net interest-bearing liabilities / Equity	x 100
Net interest-bearing liabilities, EUR million	=	Interest-bearing liabilities – Cash and cash equivalents	

Reconciliation of Certain Alternative Performance Measures

The following table sets forth a reconciliation of the Alternative Performance Measures for the periods indicated:

EUR million	For the three months ended 31 March 2022	2021	For the year ended 31 December 2021	2020
	(unaudited)		(unaudited, unless otherwise indicated)	
Reconciliation of adjusted operating profit				
Operating profit	-0.3	3.7	42.2[1]	28.2[1]
Items affecting comparability:				
costs arising from the discontinuation of business	-0.2	-0.7	-2.1	9.0
costs arising from business restructurings	–	0.5	0.6	1.7
gains or losses arising from divestments	–	0.0	–	0.0
costs arising from acquisition[2]	0.5	0.0	1.7	0.7
Adjusted operating profit	**0.0**	**3.6**	**42.4**	**39.7**
Reconciliation of EVA				
Operating profit	-0.3	3.7	42.2[1]	28.2[1]
Invested capital (rolling 12-month quarterly average)	403.8	369.4	391.4	369.7
Cost calculated on invested capital	-6.7	-6.2	-26.3	-24.5
EVA	**-7.0**	**-2.5**	**15.9**	**3.7**
Reconciliation of Gross capital expenditure				
Intangible and tangible assets from business acquisitions	22.6	–	31.4	2.0
increases to right-of-use assets excl. heavy vehicles from business acquisitions	-1.4	–	-0.3	–
Other increases to intangible and tangible assets	14.1	17.2	64.6	62.4
Increases to right-of-use assets excl. heavy vehicles	-5.9	-7.1	-19.1	-12.0
Other adjustments	-0.8	-0.7	-3.9	-4.2
Gross capital expenditure	**28.5**	**9.4**	**72.3**	**48.2**

1) Audited.
2) The management has specified the calculation of the adjusted operating profit and the costs arising from acquisitions have been added to items affecting comparability during the second quarter of 2021. The comparative figures have been adjusted accordingly.

Future Outlook

The following outlook and the assumptions behind the outlook are included in Lassila & Tikanoja's interim report for the three months ended 31 March 2022:

"Net sales and adjusted operating profit in 2022 are estimated to be at the same level as in the previous year."

The above statements include forward-looking statements. These statements are not guarantees of future financial performance of Lassila & Tikanoja. Lassila & Tikanoja's actual results and financial position could differ materially from those expressed or implied by these forward-looking statements as a result of many factors. The Issuer cautions prospective investors not to place undue reliance on these forward-looking statements.

Lassila & Tikanoja confirms that the above information on the profit forecast has been properly prepared on the basis stated that is both comparable with Lassila & Tikanoja's historical financial information and consistent with Lassila & Tikanoja's accounting principles. The profit forecast is the best considered view and understanding at the time based on the forecasts and estimates received. The assumptions upon which Lassila & Tikanoja has based its conclusions and which it can affect include pricing of products and services, efficient risk management and cost management. Factors outside the control of Lassila & Tikanoja that affect the above-mentioned forward-looking statements are mostly related to duration of the COVID-19 pandemic and sickness-related absences caused by it as well as the increase of fuel prices.

No Material Adverse Change in the Prospects

There has been no material adverse change in the prospects of the Company or of the Group since 31 December 2021, the last day of the financial period in respect of which the most recently audited financial statements of the Company have been prepared.

No Significant Change in the Financial Performance or Financial Position

There has been no significant change in the financial performance or the financial position of the Company or the Group since 31 December 2021, which is the end of the last financial period for which an audited financial report has been published.

SUMMARY OF RECENT DISCLOSURES

*The following summary sets forth information disclosed by Lassila & Tikanoja pursuant to the Market Abuse Regulation (EU) No 596/2014 ("**MAR**") over the last 12 months preceding the date of this Listing Prospectus, which is to the Issuer's knowledge still relevant as at the date of this Listing Prospectus. The summary does not discuss periodic financial reporting nor other disclosure obligations not pertaining to the MAR or the rules of Nasdaq Helsinki. Therefore, the summary is not exhaustive and does not discuss all stock exchange releases issued by the Issuer during the above-mentioned period of time.*

On 6 May 2022, Lassila & Tikanoja announced a tender offer for the 2023 Notes, for cash on the terms and conditions set out in the tender offer memorandum dated 6 May 2022. The purchase price in the offer was EUR 1,005.00 per EUR 1,000 nominal amount of the 2023 Notes. The offer expired at 4:00 pm Finnish time on 12 May 2022. Lassila & Tikanoja successfully repurchased the 2023 Notes with an aggregate nominal value of EUR 32,270,000. The settlement date is set to 23 May 2022**.**

BOARD OF DIRECTORS, MANAGEMENT AND AUDITORS

General

In its decision making and administration, Lassila & Tikanoja complies with the Finnish Limited Liability Companies Act (21.7.2006/624, as amended) (the "**Finnish Companies Act**") and other legal regulations and rules governing public limited companies in Finland as well as the Company's articles of association and charters of its Board of Directors, committees and the Shareholders' Nomination Board. Lassila & Tikanoja also follows Nasdaq Helsinki' rules and recommendations as applicable to listed companies. As a Finnish listed company, Lassila & Tikanoja complies with the Finnish Corporate Governance Code 2020, as published by the Finnish Securities Market Association. As at the date of this Listing Prospectus, Lassila & Tikanoja does not deviate from any recommendations of said code.

Pursuant to the provisions of the Finnish Companies Act and the Issuer's articles of association, responsibility for the control and management of Lassila & Tikanoja is divided between the governing bodies of the Company, including the general meeting of shareholders, the Board of Directors and the Chief Executive Officer ("**CEO**"). Shareholders participate in the control and management of Lassila & Tikanoja through resolutions passed at general meeting of shareholders. General meeting of shareholders are generally convened upon notice given by the Board of Directors. In addition, general meeting of shareholders are held in accordance with the Finnish Companies Act when requested in writing by the auditor of the Issuer or by shareholders representing at least one tenth of all the outstanding shares of the Issuer.

The business address of the members of the Board of Directors of the Company and the management team and the CEO of Lassila & Tikanoja is Valimotie 27, FI-00380 Helsinki, Finland.

Board of Directors

The Board of Directors supervises Lassila & Tikanoja's operations and management, and tasks and responsibilities of the Board of Directors of the Company are determined on the basis of the Finnish Companies Act as well as other applicable legislation. The Board of Directors of the Company has general authority to decide and act in all matters not reserved for other corporate governing bodies by law or under the provisions of the Company's articles of association. The general task of the Board of Directors of the Company is to duly organize Lassila & Tikanoja's management and operations. The Board of Directors convenes regularly, normally on a monthly basis. At the date of this Listing Prospectus, the Board of Directors of the Issuer consists of the following persons:

Name:	**Background:**	
Jukka Leinonen Born 1962, M. Sc. Electrical Engineering **Chairman of the Board (2022–)** **Member of the Board (2021–)** **Chairman of the Personnel and Sustainability Committee** **Member of the Shareholders' Nomination Board**	*Telenor ASA*, Executive Vice President, Nordic Cluster and Head of Nordics and Telonor, Member of the Leadership Team *DNA Oyj*, CEO 2013–2021 and Vice President, Corporate Business 2010–2013 *TeliaSonera*, various management positions in corporate business sales, marketing and product management, 2002–2009 *Sonera Oyj*, Senior Vice President 2000–2002 *Sonera Solutions Oy* (Yritysverkot Oy), President and CEO, 1996–1999 **Memberships in other Boards of Directors and positions of trust:** *Confederation of Finnish Industries*, Member of the Representative Council (2020–) *DNA Oyj*, Chairman of the Board (2021–)	

Sakari Lassila Born 1955, M.Sc. (Econ.) **Deputy Chairman of the Board** **Member of the Board (2011–)** **Chairman of the Audit Committee**	*Indcrea Oy*, Managing Director, Partner (2008–2018) *Cupori Group Oy,* member of the Management Board (2008–2014), Managing Director of Cupori AB (2012–2014) *Carnegie Investment Bank AB, Finland Branch,* executive positions (2002–2005) *Alfred Berg Finland Oyj*, executive positions within investment banking (1994–2002) *Citibank Oy,* head of corporate bank (1991–1994) *Union Bank of Finland,* supervisory and executive positions (1983–1991) **Memberships in other Boards of Directors and positions of trust:** *Aplagon Oy,* Chairman of the Board (2009–) *Evald and Hilda Nissi Foundation,* Vice Chairman of the Board, Member of the Board (1987–)	
Teemu Kangas-Kärki Born 1966, M.Sc. (Econ.) **Member of the Board (2016–)** **Member of the Audit Committee**	*Nokian Tyres plc,* CFO (2018–) *Fiskars Plc,* Chief Operating Officer (COO) and Deputy to the CEO (2017–2018), Interim President and CEO (2017), Chief Operating Officer (COO) and Chief Financial Officer (CFO), Deputy to the CEO (2014–2017), President, Home business area (2012–2014), Chief Financial Officer (CFO) (2008–2012) *Alma Media Corporation,* Chief Financial Officer (CFO) (2003–2008) *Kesko Corporation,* Corporate Controller (2000–2003) *Nestlé Finland Ltd,* Finance Director (1998–2000) *Smith & Nephew Ltd,* Financial Manager (1996–1998) *Unilever Oy & Gmbh,* Marketing Controller and Internal Auditor (1992–1996) **Memberships in other Boards of Directors and positions of trust:** *Marimekko*, Vice Chair of the Board, Chair of the Audit and Remuneration Committee (2022–)	
Laura Lares Born 1966, Ph.D. (Tech.) **Member of the Board (2014–)** **Member of the Audit Committee**	*Ablers Oy*, Managing Director (2018–) *Woimistamo Oy,* Managing Director (2012–2018) *Kalevala Koru Oy & Lapponia Jewelry Oy*, Managing Director (2007–2012) *UPM Kymmene Corporation*, Director of Wood Products Division, Director of Business Development & Human Resources (2004–2006)	

	Memberships in other Boards of Directors and positions of trust: *Ablers Oy, Member of the Board (2018–)* *Lappeenranta University of Technology,* Member of the Board (2009–2017) *Woikoski Oy,* Member of the Board (2012–2016)	
Laura Tarkka Born 1970, M.Sc. (Eng.) **Member of the Board (2017–)** **Member of the Personnel and Sustainability Committee**	*Gigantti Oy Ab*, CEO (2020–) *Kämp Group/Kämp Collection Hotels*, CEO (2014–2020) *Diacor Terveyspalvelut Oy*, CFO and deputy CEO (2013–2014) *Fazer Group,* director (2007–2012) *Icecapital Securities Ltd,* investment banker (2001–2007) *Mandatum Stockbrokers Ltd*, investment banker (1997–2001) **Memberships in other Boards of Directors and positions of trust** *Oy Karl Fazer Ab*, Member of the Board (2021–) *Caruna Oy,* Member of the Board (2019–) *Finland Chamber of Commerce,* Member of the Board (2021–) *Viking Line Abp,* Member of the Board (2020–2021) *Suomen Messut Oyj,* Member of the Supervisory Board (2019–2021) *Docrates Oy,* Member of the Board (2016–2021)	
Pasi Tolppanen Born 1967, Doctor of Science (Technology) **Member of the Board (2020–)** **Member of the Personnel and Sustainability Committee**	*YIT Group,* Executive Vice President, Infrastructure segment (2021–) DEN Group, CEO (2020–2021) *Maintpartner Group,* CEO (2017–2019) *Pöyry Plc,* President, Regional Operations Northern Europe and Pöyry Finland Oy's Managing Director and Member of the Group Executive Committee (2013–2016), and various management positions (2007–2012) **Memberships in other Boards of Directors and positions of trust** *Forcit Group,* Member of the Board (2019–) *TerraWise Oy,* Member of the Board (2019–2021) *Maintpartner Ab,* Chairman of the Board (2017–)	

Board Committees

The Board committees provide assistance to the Board of Directors by preparing matters falling within the competence of the Board of Directors. The committees have no independent decision-making authority, and final decisions are made by the Board of Directors based on the preparation work by the committees. The chairman of the committee reports to the Board of Directors following each committee meeting. Minutes of the committees' meetings are provided to the Board members for information.

The Board has an Audit Committee and a Personnel and Sustainability Committee. Both Committees consist of three Board members. After the end of the Annual General Meeting, the Board of Directors elects chairmen and members of the Committees from among its number for a term of one year at a time. The committee members must have the expertise and experience required by the duties of the committee. The Board of Directors confirms the charters of the committees annually.

Audit Committee

As at the date of this Listing Prospectus, the members of the Audit Committee are Sakari Lassila (Chairman), Teemu Kangas-Kärki and Laura Lares. All of the members of the Audit Committee are independent of the Company and its major shareholders.

The Audit Committee convenes at least four times a year. Pursuant to the Audit Committee's charter, the duties of the Audit Committee include:

- monitoring the financial position and financing of the Group;
- monitoring the reporting process of financial statements;
- supervising the financial reporting process;
- monitoring the efficiency of the company's internal control, internal audit and risk management systems;
- reviewing the operating principles of the Company's internal control;
- reviewing the plans and reports of the Company's internal audit;
- reviewing the Company's corporate governance statement;
- monitoring related-party transactions;
- monitoring the statutory audit of the financial statements and consolidated financial statements;
- evaluating the independence of the auditing company;
- evaluating the provision of non-audit services to the Company by the auditing firm;
- preparing the proposal and/or recommendation concerning the auditor of the Company;
- maintaining contact with the Company's auditor and reviewing the reports prepared for the committee by the auditor; and
- assessment of compliance with laws and provisions.

In 2021, the Audit Committee convened five times. The attendance rate of the members at the meetings was 100 per cent.

Personnel and Sustainability Committee

As at the date of this Listing Prospectus members of the Personnel and Sustainability Committee are Jukka Leinonen (Chairman), Laura Tarkka and Pasi Tolppanen. All of the members of the Personnel and Sustainability Committee are independent of the Company and its major shareholders.

The Personnel and Sustainability Committee convenes at least four times a year. Pursuant to the Personnel and Sustainability Committee's charter, the duties of the Personnel and Sustainability Committee include:

Personnel

- discuss, evaluate and make statements on the salary structure of the Group management and personnel as well as remuneration and incentive schemes;
- monitor the functionality of the remuneration systems to ensure that the incentive schemes promote the achievement of the Company's strategy and targets and are based on personal performance;

- discuss and prepare executive appointment issues for consideration by the Board of Directors;
- discuss and prepare matters related to the organisational structure and the development of management and human resources;
- deal with management succession plans;
- prepare the remuneration policy of the Company's governing bodies and the remuneration report; and
- present the governing bodies' remuneration policy and report to the Annual General Meeting and answer related questions.

Sustainability

- monitor and evaluate the sustainability development in the Group;
- monitor developments in the business environment and regulation;
- monitor and evaluate the development of occupational safety and work ability issues in the Group;
- monitor the development of stakeholder support (employee and customer experience as well as other external stakeholders);
- monitor the results of the Group's Environmental, Social and Governmental (ESG) assessments and analyses;
- review the statement of non-financial information as part of the Board's report;
- address the Sustainability Review of the Annual Report; and
- monitor and evaluate the development of diversity in the workplace community.

In 2021, the Personnel and Sustainability Committee convened four times. The attendance rate of the members at the meetings was 100 per cent.

Shareholders' Nomination Board

On 12 March 2020, the Annual General Meeting resolved to establish a permanent Shareholders' Nomination Board. The Nomination Board is responsible for preparing and presenting proposals covering the remuneration and number of members of the Company's Board of Directors as well as proposals on the Chair, Vice Chair and members of the Board of Directors to the Annual General Meeting and, where needed, to an Extraordinary General Meeting. The Nomination Board is also responsible for identifying successors to existing Board members.

The Nomination Board consists of four (4) members, three (3) of whom are appointed by the Company's three largest shareholders, who appoint one (1) member each. The Chairman of the Company's Board of Directors serves as the fourth member of the Nomination Board. The Company's largest shareholders entitled to appoint members to the Nomination Board shall be determined annually on the basis of the registered holdings in the Company's shareholders' register held by Euroclear Finland as per the first weekday in September in the year concerned, or on the basis of shareholding information separately presented by nominee-registered shareholders. The Chairman of the Board of Directors convenes the first meeting of the Nomination Board, which shall be responsible for electing a chairman from among its members. The Nomination Board's chairman shall be responsible for convening subsequent meetings.

As at the date of this Listing Prospectus, members of the Shareholders' Nomination Board consist of the following persons Patrick Lapveteläinen (Mandatum Life Insurance Company Limited) Juhani Lassila (Evald and Hilda Nissi Foundation), Miikka Maijala (group of shareholders) and Jukka Leinonen, Chairman of Lassila & Tikanoja plc's Board of Directors.

CEO and Corporate Management

The Company's Board of Directors appoints the CEO. The CEO is responsible for the daily management of the Company's administration according to the guidelines and instructions given by the Board of Directors. In addition, the CEO is responsible for ensuring that the Company's accounting has been carried out in accordance with applicable laws and that asset management has been organised in a reliable manner. The CEO manages the

Company's daily business and is responsible for the strategy process of the Company. At the date of this Listing Prospectus, the CEO of the Company is Eero Hautaniemi.

In Lassila & Tikanoja's operative management, the CEO is assisted by the Group Executive Board. The tasks and responsibilities of the Group Executive Board include preparation of monthly reports, investments, group guidelines and policies, long-term plans, operating plans for each period of twelve months and financial statements for the Board of Directors to decide on. The Group Executive Board convenes once a month and whenever necessary. At the date of this Listing Prospectus, the Group Executive Board consists of the following persons:

Name:	**Background:**	
Eero Hautaniemi Born 1965, M.Sc. (Econ) **President and CEO (2019–)** **Member of the Group Executive Board since 2019**	*Oriola-KD Oyj*, President and CEO (2006–2017) *GE Healthcare Finland Oy*, President (2004–2005) *GE Healthcare IT,* General Manager, Oximetry, Supplies and Accessories business area (2003–2004) *Instrumentarium Oyj*, specialist and executive positions (1990–2003) **Memberships in other Board of Directors and positions of trust:** *Confederation of Finnish Industries (EK),* Member of the Board (2021–) *The Real Estate Employers (Kiinteistötyönantajat ry),* Chairman of the Board (2021–) *Ilmarinen Mutual Pension Insurance Company,* Member of the Supervisory Board (2017–)	
Sirpa Huopalainen Born 1965, Master of Laws **General Counsel (2012–)** **Member of the Group Executive Board since 2019**	*Atria Plc*, General Counsel (2007–2012) *Metso Automation Inc*, Legal Counsel (2004–2007) *Metso Corporation*, Legal Counsel (1999–2004) *Rauma Corporation*, Legal Counsel (1996–1999)	
Jorma Mikkonen Born 1963, Master of Laws **Senior Vice President, Corporate Relations and Responsibility (2015–)** **Member of the Group Executive Board 1996–2012 and since 2015**	*Lassila & Tikanoja plc,* Division Manager, Environmental Services (2009–2012), Division Manager, Industrial Services (2000–2009) *Säkkiväline Oy,* Administrative Director (1999–2000), Corporate Lawyer (1992–1999) *Helsingin Suomalainen Säästöpankki,* Corporate Lawyer (1991–1992) **Memberships in other Board of Directors and positions of trust:** *LähiTapiola Vahinkovakuutus,* Member of the Supervisory Board (2009–) *Finnish Environmental Industries (YTP)*, Chairman of the Board (2013–) *The Chemical Industry Federation of Finland,* Member of the Board (2021–) *Employers' Federation of Road Transport (ALT)*, Member of the Board (2001–)	

Antti Niitynpää Born 1972, EMBA **Senior Vice President, Facility Services Finland (2021–)** **Member of the Group Executive Board since 2021**	*Lassila & Tikanoja plc*, Business Director, Cleaning Services (2018–2021), Business Director, Property Maintenance (2014–2018), Regional Director, Helsinki metropolitan area (2013–2016) *ISS Finland,* Regional Director, Service Director, Customer Accounts Director (2006–2013), Project Director (1999–2006) *Purkat Oy*, CEO (1995–1999)	
Valtteri Palin Born 1973, M.Sc. (Econ) **CFO (2019–)** **Member of the Group Executive Board since 2019**	*Lassila & Tikanoja Oyj*, Finance Director and Group Controller (2019) *SRV Group plc,* Finance Director and Group Controller (2008–2019) *SRV Toimitilat Oy*, Business Controller (2005–2008) *Skanska Oy*, finance manager, Business Controller & Controller (1998–2005)	
Hilppa Rautpalo Born 1974, Master of Laws (trained at the bench) **Senior Vice President of Human Resources (2020–)** **Member of the Group Executive Board since 2020**	*Arctia Ltd*, Senior Vice President for Human Resources and Legal Affairs (2018–2019) *Unisport-Saltex Group*, General Counsel and SVP for HR (2017–2018) *Ekokem Oy,* General Counsel and SVP for HR (2013–2017) *Amer Sports Oyj,* Senior Legal Counsel (2007–2009) *Metsä Group*, Group Legal Counsel (2000–2007) **Memberships in other Board of Directors and positions of trust:** *Finnpilot Pilotage Oy*, Member of the Board (2020–)	
Petri Salermo Born 1970, QBA, EMBA (2020) **Senior Vice President, Environmental Services** **Member of the Group Executive Board since 2013**	*Lassila & Tikanoja plc,* Business Director, Environmental Services (2009–2012), Sales Director, Environmental Services (2003–2009), Sales Manager, Environmental Services (2001–2003) *Europress Oy,* Sales Director (1998–2001), sales managerial positions (1995–1998)	
Antti Tervo Born 1978, M.Sc. (Econ) **Senior Vice President, Industrial Services (2015–)** **Member of the Group Executive Board since 2012**	*Lassila & Tikanoja plc*, Chief Officer responsible for procurement and supply chain (2012–2014) *Siemens, North West Europe,* Head of Commodity Management (2009–2012), Project Manager, Procurement & Supply Chain Management (2008–2009) *Siemens Oy,* Director, Procurement (2005–2009), Procurement Manager (2003–2005), Supply Chain Consultant (2001–2003)	

	Memberships in other Board of Directors and positions of trust -	
Tina Hellstadius Born 1973, M.Sc (Tech.) **Senior Vice President, Facility Services Sweden** **Member of the Group Executive Board since 19 April 2022**	*SOL Facility Services in Sweden,* CEO (2017–2022) *Telia Company,* Director, Supply Chain Excellence (2014–2017) *LRF Samköp,* CEO (2010–2014) *Euromaint Rail AB*, Head of Contracts (2008–2010), Bid Manager (2007–2008) *Scania CV,* Vice Commodity Manager (2006–2007), Sourcing Manager (2005–2006), Global POL Teamleader (2004–2005) **Memberships in other Board of Directors and positions of trust** -	

Absence of conflicts of interest

The members of the Board of Directors, the CEO or the members of the Group Executive Board do not have any conflicts of interest between their duties relating to the Company and their private interests and/or their other duties.

Auditors

As at the date of this Listing Prospectus, the Issuer's statutory auditor is PricewaterhouseCoopers Oy, with Authorised Public Accountant Samuli Perälä as the auditor with principal responsibility. Samuli Perälä is registered in the Finnish Register of Auditors pursuant to Chapter 6, Section 9 of the Finnish Auditing Act maintained by the Finnish Trade Register. The business address of the principal auditor and PricewaterhouseCoopers Oy is Itämerentori 2, FI-00180 Helsinki, Finland. The consolidated financial statements of the Company for the financial years ended 31 December 2021 and 2020 incorporated into this Listing Prospectus by reference have been audited by KPMG Oy Ab, under the supervision of principal auditor Leenakaisa Winberg.

SUMMARY OF LASSILA & TIKANOJA'S SUSTAINABILITY-LINKED BOND FRAMEWORK

The following is a summary of the Sustainability-Linked Bond Framework published on 6 May 2022 and available on the Issuer's website https://www.lt.fi/en/investors/economic-data/financial-position/financial-arrangements.

Sustainability at Lassila & Tikanoja

For Lassila & Tikanoja, sustainability means supporting its customers' sustainability efforts, reducing the environmental impacts of its own operations, promoting employee well-being and diversity, and ensuring the sustainability of the company's value chain.

The most significant impacts of Lassila & Tikanoja's operations are reflected in the sustainability benefits that the company creates for its customers. Lassila & Tikanoja has conducted an EU taxonomy assessment of net sales related to climate change mitigation or adaptation, and for the year ended 31 December 2021, the proportion of net sales that is taxonomy eligible was 56 per cent.

Lassila & Tikanoja continuously seeks better results in the utilisation of customer materials, reduction of emissions and energy consumption, and development of circular economy solutions and services. Due to the nature and scale of Lassila & Tikanoja's operations, the Company can have a significant impact on the mitigation of – and adaptation to – climate change. Lassila & Tikanoja systematically increases its carbon handprint while reducing the carbon footprint of its operations.

As a large employer and service company, Lassila & Tikanoja bears social responsibility by looking after the occupational well-being and work ability of its employees as well as ensuring equality and diversity. The company's sustainability efforts cover the entire value chain of its business. In its supply chain, Lassila & Tikanoja evaluates and monitors the responsibility of its suppliers and requires its partners to operate in accordance with Lassila & Tikanoja's sustainability principles.

Sustainability-Linked Bond Framework

By setting up the Sustainability Framework, Lassila & Tikanoja intends to link its funding with key objectives that are material for its long-term sustainability performance. The Sustainability Framework has been established in accordance with the SLBPs as administered by ICMA, and include the five core components of the SLBPs, including the selection of KPIs, calibration of SPTs, bond characteristics, reporting and verification.

Selection of the Key Performance Indicators

Lassila &Tikanoja has selected the following KPIs, after consideration of which topics are relevant, core and material to its operations.

KPI 1: Scopes 1 and 2 GHG emissions (gCO2e/km driven).

KPI 1 defines Lassila &Tikanoja's Scope 1 and Scope 2 GHG emissions in relation to kilometres driven, which result from Lassila & Tikanoja's landfill operations, its heavy vehicles and fuel consumed by production vehicles and company cars, while Scope 2 emissions are a result of Lassila & Tikanoja's electricity consumption in Finland and Sweden, as well as district heat consumption in Finland.

KPI 2: Scope 3 GHG emissions (from contractor fuel consumption).

KPI 2 refers to Lassila &Tikanoja's Scope 3 emissions that are fuel-related emissions resulting from contracted work, and are calculated based on transport volumes and estimated fuel consumption.

Calibration of Sustainability Performance Targets

SPT 1: Reduce Scope 1 and Scope 2 GHG emissions by 37.5 per cent per kilometre by the end of 2027 from the base year 2018

SPT 2: Reduce fuel emissions from contracted work related transportation by 21 per cent by end of 2027 from a 2020 baseline

Bond Characteristics

The characteristics outlined in the Sustainability Framework are applicable to any sustainability-linked bonds issued under it. However, the financial characteristics selected for each such bond will be specified in the transaction-specific documentation.

Depending on Lassila & Tikanoja's performance with respect to the applicable SPTs as per the target observation date, 31 December 2027, the financial characteristics of a sustainability-linked bond may change. The change in financial characteristics may include adjustment to the coupon, from the first coupon date after the target observation date, or an increased redemption price.

In addition, should Lassila & Tikanoja fail to provide relevant reporting or verification, in line with the Sustainability Framework, the financial characteristics will change as outlined in the transaction-specific documentation.

Reporting

To ensure investors and other stakeholders have updated and adequate information about Lassila & Tikanoja's sustainability strategy and the progress on the KPIs in relation to the respective SPT, the progress will be reported annually in Lassila & Tikanoja's Sustainability Report, or alternatively under a separate Sustainability-Linked Progress Report, published on Lassila & Tikanoja's website.

Verification

Sustainalytics has issued a Second-Party Opinion regarding the Sustainability Framework, which provides an independent assessment on the relevance, robustness, reliability and ambition level of the selected KPIs and the SPTs, and confirms that the Sustainability Framework is aligned with the SLBPs.

In addition, Lassila & Tikanoja will seek independent and external verification of the Company's performance of its KPIs against the SPTs on an annual basis or in relation to any target observation date until the last reporting date.

SHARE CAPITAL AND OWNERSHIP STRUCTURE

As at the date of this Listing Prospectus, the Issuer's share capital is EUR 19,399,437.00 and the total number of shares issued is 38,798,874, of which 661,874 are held in treasury. Each share entitles its holder to one vote at the general meeting of the Company. The Issuer's shares belong to the book-entry system and they are subject to public trading on Nasdaq Helsinki. The trading code of the shares is LAT1V.

The Issuer is not aware of any arrangement the operation of which may result in a change of control of the Issuer.

The following table sets forth the ten largest holders of the Issuer's issued and outstanding shares pursuant to the shareholders register maintained by Euroclear Finland as at 30 April 2022:

Shareholder	Number of Shares	Proportion of shares and votes (per cent)
Evald and Hilda Nissi's Foundation	3,057,902	7.88
Mandatum Life Insurance Company Limited	3,029,147	7.81
Nordea Funds Ltd(1	1,727,566	4.45
Maijala Juhani	1,529,994	3.94
Åbo Akademi University Foundation	1,066,282	2.75
Bergholm Heikki	835,178	2.15
Ilmarinen Mutual Pension Insurance Company	790,000	2.04
Varma Mutual Pension Insurance Company	729,791	1.88
Maijala Mikko	720,000	1.86
Elo Mutual Pension Insurance Company	572,738	1.48
Ten largest in total	**14,058,598**	**36.23**
Other shares	**24,740,276**	**63.77**
Of which nominee registered	3,127,719	12.64
All shares	**38,798,874**	**100.00 per cent**

2) Ownership through Nordea Nordic Small Cap Fund, Nordea Premium Asset Management Balanced Fund, Nordea Premium Asset Management Moderate Fund, Nordea Savings 50 Fund, Nordea Savings 30 Fund, Nordea Savings 75 Fund, and Nordea Premium Asset Management Growth Fund.

ARRANGEMENTS WITH THE LEAD MANAGER

Danske Bank A/S is acting as Lead Manager in the Offering. The Company has entered into agreements with the Lead Manager with respect to certain services to be provided by the Lead Manager in connection with the Offering.

The Lead Manager and companies belonging to the same consolidated group with the Lead Manager may have performed and may in the future perform investment or other banking services for the Company in the ordinary course of business.

LEGAL MATTERS

Certain legal matters in connection with the Offering have been passed upon for Lassila & Tikanoja by Roschier, Attorneys Ltd.

INFORMATION INCORPORATED BY REFERENCE

The following documents have been incorporated by reference to this Listing Prospectus. The referenced documents are available for inspection at the offices of the Company at Valimotie 27, FI-00380 Helsinki, Finland, as well as on the Company's website at lt.fi/en/investors.

Document	Information by reference
Interim Report 1 January 2022–31 March 2022	Interim report as at and for the three months ended 31 March 2022
Financial Statements 2021	Financial Statements, including the report of the Board of Directors and the auditor's report as at and for the year ended 31 December 2021, pages 16–99
Financial Statements 2020	Financial Statements, including the report of the Board of Directors and the auditor's report as at and for the year ended 31 December 2020, pages 18–113

DOCUMENTS ON DISPLAY AND AVAILABLE INFORMATION

In addition to the documents incorporated by reference, the Company's Articles of Association are available on the Company's website at lt.fi/en/investors/corporate-governance/articles-of-association.

The Company will publish annual reports, including audited consolidated financial statements, quarterly interim financial information and other information as required by the Finnish Securities Market Act and the rules of Nasdaq Helsinki. Such information will be available on the Company's website at lt.fi/en/investors.

THE COMPANY

Lassila & Tikanoja plc
Valimotie 27
00380 Helsinki

Finland

LEAD MANAGER

Danske Bank A/S
Kasarmikatu 21 B
FI-00130 Helsinki

Finland

LEGAL ADVISER TO THE COMPANY

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