



**Company description in connection
with admission to trading at
First North Bond Market**

**Listing of
EUR 15,000,000 Senior Unsecured Fixed Rate Notes due 17 June 2017
The Notes are represented by units in denominations of EUR 1
The trading lot for Notes on the First North Bond Market is EUR 1,000**

Lead Manager and Certified Adviser: Evli Bank Plc, Corporate Finance

First North Disclaimer

First North Bond Market is an alternative marketplace operated by an exchange within the NASDAQ OMX group. Issuers on First North Bond Market are not subject to the same rules as Issuers on the regulated main market. Instead they are subject to a less extensive set of rules and regulations. The risk in investing in an Issuer on First North Bond Market may therefore be higher than investing in an Issuer on the main market. At least during the application process Issuers - except for Issuers whose securities are already admitted to trading on a regulated market or a First North market - applying for admission to trading of fixed income instruments on First North Bond Market shall have a Certified Adviser who monitors that the rules are followed. The Exchange approves the application for admission to trading.

Notice to investors

This company description (the “**Company Description**”) has been prepared by M-Brain Oy (the “**Issuer**”, “**M-Brain**” or the “**Company**”) solely for the admission to trading on First North Bond Market operated as a joint Nordic offering by NASDAQ OMX Stockholm AB, NASDAQ OMX Copenhagen A/S and NASDAQ OMX Helsinki Ltd (the “**Exchange**”) (the “**First North Bond Market**”) of the EUR 15,000,000 Senior Unsecured Fixed Rate Notes due 17 June 2017 issued by the Issuer on 17 June 2014 (together referred to as the “**Notes**”). In this Company Description, the “**Company**”, the “**Issuer**” and “**M-Brain**” refer to M-Brain Oy or M-Brain Oy and its subsidiaries and associated companies, on a consolidated basis, as the context may require.

The Company Description has been prepared on the basis that any offer of Notes in any member state of the European Economic Area which has implemented Directive 2003/71/EC and amendments thereto (the “**Prospectus Directive**” and each such member state, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly, any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or Evli Bank Plc, Corporate Finance (the “**Lead Manager**”) to publish a prospectus pursuant to article 3 of the Prospectus Directive or to supplement a prospectus pursuant to article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor the Lead Manager have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or the Lead Manager to publish or supplement a prospectus for such offer. This Company Description does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Lead Manager to subscribe for or purchase, any Notes.

No person has been authorised by the Issuer or the Lead Manager to give any information or to make any representation other than those contained in this Company Description in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Lead Manager.

The distribution of this Company Description and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Company Description comes are required by the Issuer and the Lead Manager to inform themselves about and to observe any 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**”) or with any securities regulatory authority of any state of the United States. The Notes may not be offered, sold, pledged or otherwise transferred directly or indirectly within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act (“**Regulation S**”), except to a person who is not a U.S. Person (as defined in Regulation S) in an offshore transaction pursuant to Regulation S.

Neither the Issuer nor the Notes have been assigned any credit rating by a rating agency.

There are no legal restrictions on the transferability of the Notes in accordance with the procedures of Euroclear Finland Ltd (“**Euroclear Finland**”), the minimum denominations and trading lot described in this Company Description as well as applicable laws.

Investment in the Notes involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes are discussed under “*Risk Factors*” below. In making an investment decision, each investor must rely on their examination, analysis and enquiry of M-Brain and the terms and conditions of the Notes, including the risks and merits involved. Other than as set forth in the Responsibility Statement, no representation or warranty, express or implied, is made by the Issuer or the Lead Manager as to the accuracy or completeness of information contained in this Company Description. The Lead Manager is acting for the Issuer and not for anyone else in connection with listing the Notes and will not be responsible to anyone other than M-Brain for providing the protections afforded to their respective clients nor for providing any advice in relation to the listing of the Notes or the contents of this Company Description.

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

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COMPANY DATA AND RESPONSIBILITY STATEMENT

Company Data

M-Brain Oy
Kumpulantie 3
00520 Helsinki, Finland
Phone: +358 20 7737 600
Company registration number: 1508015-4

Auditor: Deloitte & Touche Oy with Authorised Public Accountant Hannu Mattila as auditor with principal responsibility.

Responsibility Statement of the Board of Directors of the Company

We declare that, to the best of our knowledge, the information provided in the Company Description is accurate and that, to the best of our knowledge, the Company Description is not subject to any omissions that may serve to distort the picture the Company Description is to provide, and that all relevant information in the minutes of board meetings, auditors' records and other internal documents is included in the Company Description.

Kim Nyberg
Chairman of the Board

Petri Laine
Member of the Board

RISK FACTORS

Investors considering investment in the Notes should carefully review the information contained in this Company Description and, in particular, the risk factors described below. Should one or more of the risk factors described herein materialise, it may have a material adverse effect on M-Brain's business, financial condition, results of operations and future prospects and, thereby, on M-Brain's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes. As a result, investors may lose part or all of their investments. The following description is a summary of certain risk factors that may affect the Issuer's ability to fulfil its obligations under the Notes or that are material in order to assess the market risk associated with the Notes. The risks involved in an investment in the Notes are not limited to the factors identified below and the sequence in which the following risk factors are listed is not an indication of their likelihood to occur or of the extent of their commercial consequences. All investors should make their own evaluations of the risks associated with an investment in the Notes and consult with their own professional advisers if they consider it necessary.

Risks Relating to Current Macroeconomic Conditions

Uncertainty in the financial markets and the global economy may affect M-Brain's business operations, result and capital resources

M-Brain's operations and performance depend in part on worldwide economic conditions. Uncertainty about global economic conditions poses a risk as consumers and businesses postpone spending in response to tighter credit, unemployment, negative financial news and/or declines in income or asset values. For example, the continuing sovereign debt crisis, financial market volatility, and other factors in Europe have resulted in reduced consumer and business confidence and spending in many countries. Other factors that could influence demand include unemployment, labour and healthcare costs, access to credit, consumer confidence, and other macroeconomic factors affecting consumer spending behaviour.

In the event of financial turmoil affecting the banking system and financial markets, additional consolidation of the financial services industry, or significant financial service institution failures, there could be a new or incremental tightening in the credit markets, low liquidity, and extreme volatility in fixed income, credit, currency, and equity markets. This could have a number of effects on M-Brain's business, including the insolvency or financial instability of suppliers or their inability to obtain credit to finance development and/or manufacture products resulting in product delays; inability of future customers to obtain credit to finance purchases of M-Brain's products or services; and failure of potential derivative counterparties and other financial institutions.

Risks Relating to M-Brain's Business Operations

Markets for M-Brain's products and services are competitive and subject to rapid technological change

The markets for M-Brain's products and services are competitive and characterised by rapidly changing technology. The market for business intelligence tools has witnessed and continues to witness the emergence of, or increased demand for, new technologies or software, which M-Brain may not have sufficient means to develop, integrate or acquire. Technological change and the emergence of alternative technologies or software that are superior, more efficient or otherwise more attractive than those that M-Brain utilize and provide may render its services less profitable, less viable or unmarketable.

Technological developments may also shorten life cycles of certain products or services and facilitate convergence of various segments in the intelligence services industry, thus also increasing competition between hybrid service providers focusing on both software tools and customer tailored services. M-Brain's competitors or potential new market entrants may introduce new or technologically superior products or services before M-Brain does. M-Brain may be required to develop its technologies rapidly, or even deploy new ones, driven by customers' and competitors' demand for features, and there can be no assurance that M-Brain will be able to or have sufficient means to successfully develop its technologies or implement new ones. In addition, M-Brain may be negatively impacted by unfavourable regulation regarding the use of these technologies. If M-Brain is unable to effectively anticipate, react to or access technological changes or otherwise to compete effectively, M-Brain's ability to retain or attract customers or offer attractive products and services could be negatively affected.

M-Brain's strategy and business development may fail or only succeed to a limited extent

M-Brain's strategy focuses on offering hybrid business intelligence solutions through combining proprietary machine learning technology for multi-lingual semantic search and advanced analytics with human analysis. The strategy requires maintaining a competitive and appealing offering of both software tools and tailored services available to customers to fully leverage M-Brain's position as a hybrid provider of business intelligence products and services. M-Brain's strategy may fail and M-Brain might focus on and invest in developing technologies, products and services which will not deliver profitable growth in the future. In order to be successful, M-Brain might need to continue to finance substantial research and development activities to be able to implement its strategy.

M-Brain may be delayed in introducing new or developed services and products to the market, and may experience quality problems from time to time that can result in decreased sales

The rapidly changing technology in the business intelligence industry may at times require swift deployment of new or developed products and services in order for M-Brain to retain its competitive position. Such new or developed products and services must, however, be sufficiently tested and, inter alia, compatible with existing technologies, to provide customers with the intended additional service value. Technological or other problems related to implementing new or developed products and services may result in a decrease in the overall service quality experienced by customers and can result in decreased sales.

M-Brain's investments and acquisitions are subject to risks and unforeseen costs could be incurred and complications arise whenever M-Brain invests or acquires businesses

Acquisitions form a central part of M-Brain's current strategy and the company has acquired Oy Cision Finland Ab in 2011, Esmerk Oy in 2012 and Whitevector Oy in 2013. These, as well as any additional acquisitions in the future, involve significant risks and uncertainties including (i) inability to realize expected synergies or cost savings, (ii) expenses, delays and difficulties of taking over or integrating acquired businesses, and (iii) diversion of management's attention from existing operations to the acquired businesses. If M-Brain on the other hand is unable to continue to find and acquire suitable acquisition targets, it may limit M-Brain's ability to grow its business.

M-Brain's ability to retain customers depends on its ability to build customer loyalty and maintain customer satisfaction

M-Brain operates in a competitive environment and its ability to retain its market share depends in part upon its ability to build customer loyalty and maintain customer satisfaction. Any new developments in product or service offerings by M-Brain's competitors could result in its customers moving to M-Brain's competitors. Some of M-Brain's customers are companies significantly larger than itself, and the terms and conditions of agreements with such customers may be subjected to pressure if such customers seek to exploit their position. M-Brain does not have long-term contracts with its customers and is, consequently, at risk of having contracts terminated by customers on a few months' notice. Retaining customers may prove increasingly challenging as M-Brain has attained, and intends to continue to attain, a significant number of customers through acquisitions.

If customers do not deem the value of the products or services provided by M-Brain sufficient, or if a competitor provides competing services for a lower price, this could lead to lower margins and a reduced number of customers for M-Brain. There can be no certainty that any of M-Brain's customers will not switch to its competitors or will not simply stop purchasing services offered by M-Brain altogether. In addition, M-Brain's strategy entails acquiring new customers as a consequence of the growing significance of social media and online data, but there can be no certainty that new customers will be acquired.

M-Brain relies on suppliers and partners in certain areas of its operations and is dependent on their reliability and performance

M-Brain relies on certain third-party suppliers in some areas of its business, such as to provide software licenses required for operating and developing some of the technology used and provided by M-Brain. M-Brain's reliance on these suppliers may expose it to risks related to service interruptions, delays in the delivery of their services, significant costs or the inability to deliver products that its customers desire. M-Brain also may not be able to obtain contractual damages to which it is entitled (if any) in such an event. Certain of M-Brain's agreements with suppliers may be short-term and therefore subject to renewal, and can be terminated upon a reasonably short notice. There can be no certainty that M-Brain's suppliers will continue to provide services, equipment or licenses to M-Brain at attractive prices or that M-Brain will be able to obtain such services, equipment and licenses in the future from these or other providers on the

scale and within the time frames M-Brain require, if at all. If M-Brain's suppliers are unable to provide M-Brain with adequate services, equipment and licenses, or cannot provide them in a timely manner or at affordable cost, M-Brain's ability to retain or attract customers could be adversely affected.

M-Brain faces legal, administrative and regulatory dispute risks, particularly in respect of uncertain copyright regulation

M-Brain is subject to numerous risks relating to legal, employment, civil, tax, administrative, regulatory and competition proceedings to which M-Brain is, or in the future might be, a party or in which M-Brain is otherwise involved or which could develop in the future. In addition, laws and regulations covering operations carried out on the Internet remain underdeveloped, in particular due to the pace of technological change. M-Brain's business intelligence services and tools offered to customers include compiling results of searches from different sources and directing customers to the sources of information included in the compiled data. In particular copyright regulation and interpretation of such legislation is somewhat uncertain both in Finland and internationally in respect offering the above services and tools for the use of M-Brain's customers. Even though M-Brain has designed its products and services to comply with copyright and other regulation by, inter alia, not automatically providing customers access to sources of data that are subject separate fees by third party service providers, there can be no assurance that M-Brain's products and services will not in the future be regarded as violating copyright or other regulation due to changes in the legal environment or interpretations of regulation. Whilst M-Brain is not aware of any current, pending or threatened claims alleging that it would infringe any intellectual property rights held by third parties, there is a risk that such claims may be asserted in the future. Said uncertain legal interpretations further increase the general risk of litigation and any ultimate outcome or actual cost of settlement may vary materially from estimates. Any lawsuits, regardless of their outcome, could result in substantial costs and diversion of resources.

As a consequence of developing automated technology and its acquisition strategy, M-Brain has terminated a significant number of employment relationships due to redundancies, in particular since July 2011. At the date of this Company Description, M-Brain has during 2014 held two separate co-operation negotiations resulting in termination of 17 employment relationships. M-Brain is not aware of any current, pending or threatened claims alleging unlawful termination, but there is a risk that such claims may be asserted in the future.

Misuse of M-Brain's services and products in violation of contractual terms and conditions may adversely affect M-Brain's credibility and may result in disputes

In addition to legal risks related to M-Brain offering its products and services to customers, M-Brain may face risks relating to customers' use of business intelligence tools offered by M-Brain. Even though M-Brain in its agreements with customers require adherence to certain terms and conditions to ensure lawful use of M-Brain's products and services, there can be no certainty that customers will not violate such terms and conditions and use M-Brain's products or services in an unlawful manner, inter alia by infringing intellectual property rights of third parties. Such acts carried out by users of M-Brain's products and services may affect M-Brain's credibility and brand value as well as involve M-Brain in disputes relating to said acts.

M-Brain's proprietary technology and business may not be adequately protected by intellectual property rights and the use of the technology requires licenses

M-Brain has in part developed its proprietary technology based on licenses from certain software providers. As such, lawful use of M-Brain's proprietary technology requires that certain underlying licenses are in effect. As the licenses acquired by M-Brain are non-exclusive, competitors may be able to lawfully use and implement similar or identical technology as has been developed by M-Brain. The products and technologies developed by M-Brain based on said licenses are to some extent protected by patents, but there can be no assurance that M-Brain's proprietary technology or other parts of its business are sufficiently protected by intellectual property rights. In addition to its proprietary technology, certain other intellectual property rights, including trademarks and domain names, are important to M-Brain's business.

M-Brain relies on information technology systems for the operation of its business, which may be disrupted by systems failures, computer viruses or hacking

M-Brain relies on information technology systems for the operation of its business and its information technology system architecture is vital for its business needs and enables M-Brain's business to grow according to demand. The operation of M-Brain's information technology systems may be interrupted because of, inter alia, power cuts, computer or telecommunication errors, computer viruses, defaults by IT suppliers, crime targeted at information systems or major

disasters as well as user errors committed by M-Brain's own staff. Although information technology system architectures and technical enablers are chosen carefully and M-Brain's IT solutions are to a large part developed internally, problems may arise and malfunctions may occur in M-Brain's information technology systems.

M-Brain may not be able to attract and retain key personnel

M-Brain's future success depends largely on the contributions of key personnel, including its key senior management, executive team and other highly skilled employees and on its ability to continue to attract and retain appropriately skilled employees for the operation and development of its business. M-Brain has entered into contractual arrangements with the aim of securing the services of the current senior management, such as agreements with YSMA Oy to acquire services carried out by Kim Nyberg, Marjukka Nyberg and Joakim Nyberg. Members of the Nyberg family have actively participated in the management of M-Brain since it was founded in 1999.

M-Brain is controlled by a limited number of shareholders

M-Brain has been and will continue to be controlled by a limited number of shareholders. Such shareholders have the power to control the outcome of most matters to be decided on in M-Brain, such as the appointment and removal of members in the board of directors, any proposed amendments to M-Brain's articles of association, merger and demerger proposals as well as proposed sales of assets or other major corporate transactions, and their interests could conflict with those of the holders of the Notes (the "Noteholders").

M-Brain's international operations may entail risks related to cultural differences, changes in legislation, inconsistent interpretations or practices relating to legislation and availability of legal protection

Because M-Brain's business operations are currently, and are expected to be in the future, international, M-Brain may face unexpected difficulties, which could be caused by, for example, cultural differences between countries, changes in legislation or possible inconsistent interpretations or practices relating to legislation (most prominently relating to copyright regulations), administrative difficulties or efficiency and/or availability of legal protection in various countries.

M-Brain has established corporate governance models and practices which may not correspond to those of listed companies

Being a private and unlisted company, M-Brain is not required to comply with, for instance, the Finnish Corporate Governance Code published by the Finnish Securities Market Association in 2010. Investors must not assume that M-Brain's corporate governance meets the requirements imposed on a listed company or is otherwise comparable to the extent and quality of corporate governance of listed companies.

M-Brain's contracts with customers and other counterparties may expose it to credit default risks and potential losses if counterparties fail to pay

M-Brain cannot assure investors that it will continue to have a diversified customer base or that widespread defaults by a broad base of customers will not have an adverse effect on M-Brain's business. Also defaults by other counterparties to M-Brain under financings, guarantees and trade credits to our customers resulting in impairment charges and credit losses may increase in the future. If M-Brain is exposed to defaults by customers or other counterparties, M-Brain may not be able to collect on those debts.

Lack of sufficient insurance cover may adversely affect M-Brain's business operations

M-Brain's insurance policies are subject to exclusions of liability and limitations of liability both in amount and with respect to the insured loss events. M-Brain does not have insurance coverage for certain types of catastrophic losses, which are not insurable or for which insurance is unavailable on reasonable economic terms. In addition, there can be no assurance that M-Brain's current insurance coverage will not be cancelled or become unavailable on reasonable economic terms in the future.

Risks Relating to M-Brain's Financing

M-Brain's growth and developing operations as well as its ability to pay debt require a strong cash flow as well as careful capital expenditure planning and working capital management

To be able to implement its strategy, M-Brain will need a strong cash flow to support meeting the requirements set for expansion, financing of pay-back of debts and the availability of sources of finance in the future. The growth of the cash flow must be based on acquisitions or the growth of sales of M-Brain's products and services which in turn realise a profit, but there can be no certainty that M-Brain's business in the future can continue to be profitable. As M-Brain's sales and costs may develop less favourably than currently forecasted by M-Brain's management, there can be no assurance that the desired profitability and growth will be achieved. Unexpected decreases in demand for M-Brain's products and services could have a significant adverse effect on M-Brain's level of profitability as well as its liquidity position.

M-Brain may not receive financing on competitive terms or at all

In order to finance its planned operations and potential future acquisitions, M-Brain might, in addition to the Notes, in the future need further equity, debt or other financing. There can be no certainty that M-Brain will be able to raise such financing on competitive or reasonable terms and in a timely fashion, or at all. Any weakening of the general economic conditions or the financing market may further increase such risk. If M-Brain cannot raise necessary financing on competitive or reasonable terms and in a timely fashion, it may have to change its strategy or business plan and it may also face other adverse consequences, such as liquidation, dissolution or bankruptcy.

If M-Brain raises debt financing in the future, the financiers may require financial covenants or other undertakings as a condition for granting such financing to M-Brain. If M-Brain breaches such covenants or undertakings, the debt financiers may have the right to require immediate repayment of the debt or may have access to other remedies against M-Brain.

M-Brain's indebtedness may affect it in various ways, including limiting its ability to raise additional financing

M-Brain requires, and expects to continue to require, a significant amount of liquidity and capital resources to finance its business and future acquisitions. Possible extensive indebtedness, whether secured or unsecured, may have a significant effect on the operations of M-Brain, such as by (i) limiting M-Brain's ability to raise additional finance on corresponding or more favourable financial and other terms than currently in force in order to finance its future working capital needs, investments, acquisitions or other general operative needs; (ii) requiring that a considerable part of the expected future cash flow from operating activities of M-Brain be used for payments of the principal and interests of the debts, which would reduce the assets and cash flows available for operating activities and development of the operations; (iii) increasing M-Brain's exposure to unfavourable financial conditions relative to its competitors, which could weaken M-Brain's competitiveness and (iv) exposing M-Brain to increases in interest rate levels. There can be no assurance that M-Brain will be able to generate such cash flows and achieve the necessary financial structure in the future.

Fluctuations in currency exchange rates and interest rates may adversely affect M-Brain's business

M-Brain is affected by exchange rate fluctuations, in particular between the euro, which is M-Brain's reporting currency, and certain other currencies. In addition, M-Brain is also affected by interest rate fluctuations. An increase in the interest rate level may have a material adverse effect on M-Brain's cost of financing. If M-Brain grows, M-Brain will require further monitoring and active managing of currency exchange rate risk and interest rate risk.

Taxation risks may have a material adverse effect on M-Brain

M-Brain's taxation risk is related to changes in tax rates or tax legislation or possible erroneous interpretations, and the materialisation of the risk could lead to payment increases or sanctions imposed by the tax authorities, which could, in turn, result in financial losses. Even though M-Brain invests resources in the management of taxation risks, such risks cannot be fully eliminated and the materialisation of any of such risks may have a material adverse effect on M-Brain's business, financial condition and results of operations.

Risks Relating to the Notes

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 considering investing in the Notes must assess the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- 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 Company Description;
- 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;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes; and
- 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.

Investors in the Notes are exposed to M-Brain's credit risk

Investors in the Notes are exposed to a credit risk in respect of M-Brain. The investor's possibility to receive payment under the Notes depends on M-Brain's ability to fulfil its payment obligations, which in turn depends to a large extent on developments in M-Brain's business and financial performance. Should M-Brain become insolvent during the term of the Notes, an investor's entitlement to the interest payable on, and the principal amount of, the Notes may be forfeited in whole or in part. An investor is always solely responsible for the economic consequences of his/her investment decisions.

The Notes will not be guaranteed or secured

The Notes will not be an obligation of anyone other than M-Brain and the Notes will not be guaranteed. No one other than M-Brain will accept any liability whatsoever in respect of any failure by M-Brain to pay any amount due under the Notes.

The Notes are an unsecured debt instrument, and the Noteholders would be unsecured creditors in the event of M-Brain's bankruptcy. Accordingly, in addition to the fact that any adverse change in the financial condition or prospects of M-Brain may have a material adverse effect on the liquidity of the Notes and may result in a material decline in its market price, such adverse change may endanger the probability that the Noteholders will receive the prompt and full payment, when due, of principal, interest and/or any other amounts and items payable to the Noteholders, from time to time, pursuant to the Notes.

M-Brain or the Notes are not rated

Neither M-Brain nor the Notes are currently rated by any rating agency.

Since the Notes bear a fixed interest rate, their value or market price may fall as a result of changes in overall market interest rates

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 could fall as a result of changes in the 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 interest rates on capital markets (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 the 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.

Active trading market for the Notes may not develop

Although M-Brain intends to apply for listing of the Notes on the First North Bond Market, there can be no assurance that such application will be approved. As such, there can be no assurance that a liquid secondary market for the Notes will develop and even if such a market develops, neither M-Brain nor Evli are under any obligation to maintain such market. The liquidity and the market prices (if any) of the Notes can be expected to vary with changes in market and economic conditions, the financial condition and prospects of M-Brain as well as many other factors that generally influence the market prices (if any) of securities. Such factors may significantly affect the liquidity and the market prices (if any) of the Notes which may trade at a discount to the price at which the Noteholders purchased the Notes.

Since an active trading market for the Notes may not develop and it will not be maintained, this may result in a material decline in the market price of the Notes, and the liquidity of the Notes may be adversely affected. 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.

M-Brain's duty to disclose information is limited to the First North Bond Market rules and relevant legislation and does not correspond to the disclosure duty of a company listed on a regulated market

Issuers on the First North Bond Market are not subject to the same rules as issuers on a regulated main market. Instead they are subject, pursuant to the First North Bond Market rulebook, to a less extensive set of rules and regulations. Thus, an investor must not assume that the information M-Brain discloses satisfies the requirements imposed on an issuer on a regulated market or is otherwise fully comparable to the extent and quality of information disclosed by such issuers. M-Brain does not undertake to disclose any information relating to the Notes other than that which it is required to disclose under the Terms and Conditions of the Notes, the Finnish Companies Act and the First North Bond Market rulebook.

The Notes do not prevent M-Brain from merging, effecting asset sales or otherwise effecting significant transactions

The Terms and Conditions of the Notes do not, except for in Clauses 7.3, 7.5 and 10 which grant the Noteholders the right of repayment of the Notes in certain limited circumstances, restrict M-Brain's ability to enter into a merger, demerger, asset sale or other significant transaction that could materially alter its existence, jurisdiction of organisation or regulatory regime and/or its composition and business. In the event M-Brain was to enter into such a transaction, the Noteholders could be materially and adversely affected. Furthermore, the conditions in Clause 7.5 do not restrict all of the current shareholders of M-Brain from disposing any or all of their shareholdings.

M-Brain has the right to redeem and purchase the Notes prior to maturity

As specified in Clauses 7.3 and 7.5 of the Terms and Conditions of the Notes, each Noteholder is entitled to demand premature repayment of the Notes under certain circumstances involving the Company's use of proceeds from the Notes or the occurrence of a change of control event in the Company. M-Brain is also entitled to redeem the Notes prematurely under certain circumstances involving the Company's use of proceeds from the Notes.

In addition, as specified in the Terms and Conditions of the Notes, M-Brain may at any time purchase the Notes in any manner and at any price prior to maturity. Only if such purchases are made by tender, such tender must be available to all Noteholders alike. M-Brain is entitled to cancel, dispose of or hold the purchased Notes at its discretion. Consequently, a Noteholder offering the Notes to M-Brain in connection with such purchases may not receive the full invested amount. Furthermore, a Noteholder may not have the possibility to participate in such purchases. The purchases – whether by tender or otherwise – may have a material adverse effect on such Noteholders who do not participate in the purchases as well as the market price and value of such Notes.

The rights of the Noteholders depend upon the actions and financial standing of the Noteholders' agent

By subscribing for, or accepting the assignment of, any Note, each Noteholder will accept the appointment of the Noteholders' agent (being on the issue date CorpNordic Finland Oy) to act on its behalf and to perform administrative functions relating to the Notes. The Noteholders' agent shall have, among other things, the right to represent the Noteholders in all court and administrative proceedings in respect of the Notes. However, the rights, duties and obligations of the Noteholders' agent as the representative of the Noteholders will be subject to the provisions of the Terms and Conditions of the Notes and the agency agreement, and there is no specific legislation or market practice in Finland which would govern the Noteholders' agent's performance of its duties and obligations relating to the Notes. A

failure by the Noteholders' agent to perform its duties and obligations properly or at all may adversely affect the enforcement of the rights of the Noteholders. Under the Terms and Conditions of the Notes, the funds collected by the Noteholders' agent as the representative of the Noteholders must be held separately from the funds of the Noteholders' agent and be treated as escrow funds to ensure that in the event of the Noteholders' agent's insolvency, such funds can be separated for the benefit of the Noteholders. In the event the Noteholders' agent would fail to separate the funds in an appropriate manner, the funds may be included in the Noteholders' agent's bankruptcy estate.

Individual Noteholders may not have the ability to accelerate the Notes prior to maturity

As specified in Clause 10 of the Terms and Conditions of the Notes, the Noteholders' agent may upon occurrence of an event of default of the Company in relation to the Notes declare all, but not less than all, of the outstanding Notes due and payable immediately. A Noteholder may only validly request the Noteholders' agent to accelerate the Notes prior to maturity if such Noteholder holds Notes representing at least 50 per cent. of the nominal amount of outstanding Notes as set forth in the Terms and Conditions.

Amendments to the Notes bind all Noteholders

The Terms and Conditions of the Notes may be amended in certain circumstances, with the required consent of a defined majority of the Noteholders. The Terms and Conditions of the Notes contain provisions for Noteholders to call and attend meetings to consider and vote upon matters affecting their interests generally. Resolutions passed at such meetings can 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 and Noteholders who voted in a manner contrary to the majority.

The right to payment under the Notes may be prescribed

In case any payment under the Notes has not been claimed within three years from the original due date thereof, the right to such payment shall become void. Such prescription may incur financial losses to such Noteholders who have not claimed payment under the Notes within the prescription time of three years.

The Notes do not carry voting rights

The Notes do not carry voting rights in M-Brain's shareholders' meetings. Consequently, the Noteholders cannot influence any decisions by M-Brain's shareholders concerning, for instance, M-Brain's capital structure. In order to obtain voting rights in M-Brain, the Noteholders must acquire shares in M-Brain.

There is no assurance on whether laws or practices change

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 validity of the Notes, and new judicial decisions can be given and administrative practices take place. No assurance can be given as to the impact of any such possible change of laws or regulations, or new judicial decision or administrative practice taking place after the date of this Company Description.

The completion of transactions relating to the Notes depends 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 Operations (749/2012, 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.

Neither M-Brain, the Lead Manager nor any other third party will assume any responsibility for the timeliness and 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 of the Notes. 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.

Withholding tax may be levied on the Notes

In the event that withholding taxes are imposed in respect of payments to Noteholders on amounts due pursuant to the Notes, M-Brain is neither obliged to gross-up or otherwise compensate Noteholders for the lesser amounts the Noteholders will receive as a result of the imposition of withholding taxes nor entitled to a premature redemption of the Notes.

DESCRIPTION OF THE ISSUER

General

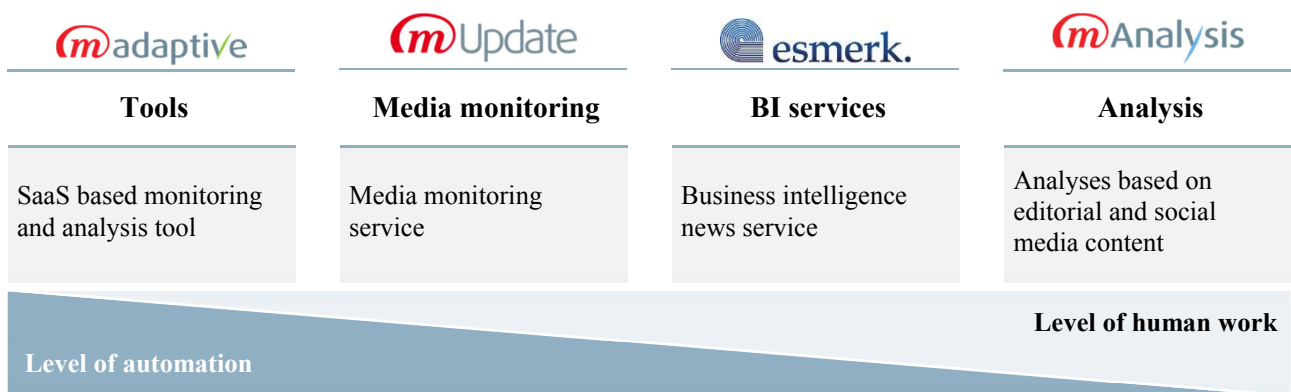
M-Brain offers big data tools and competitive intelligence services, which integrate social media monitoring with internet content and traditional media coverage and provides analytics and insights regardless of time or language. The Company combines proprietary machine learning technology for multi-lingual semantic search and advanced analytics with human analysis offering a hybrid business intelligence solution. The Helsinki-based company has offices in seven countries employing approximately 300 full-time employees. M-Brain has grown swiftly through its acquisitive strategy, acquiring and successfully integrating three companies during 2011 - 2013. Today, the Company is a European leader, and the top performer in the Nordic region

M-Brain's operations began in 2002. The Company was founded by Marjukka Nyberg as an academic working team focused on media analysis and measurement. In 2006, Aloitusrahasto Vera Oy (Finnvera) made an equity investment in the Company receiving therefor a minority stake. M-Brain's technical development was accelerated in 2007, when Kimmo Valtonen joined M-Brain. He started building a top-quality research and development ("R&D") team. During the same year, M-Brain acquired a minority stake in Whitevector Oy. M-Brain secured a new round of investment in 2011 enabling it to acquire its major domestic competitor, the Finnish subsidiary of Cision AB, doubling the size of the original company. In 2012, the Company continued with its acquisitions by acquiring the business intelligence provider Esmerk Oy. In 2013 M-Brain released M-Adaptive 1.0, a new SaaS platform providing marketers with a minute-by-minute view of their online environments and campaigns. During the same year M-Brain acquired the remaining shares in Whitevector Oy. A new version of the M-Adaptive SaaS platform was launched in early 2014

Business Description

The Company's hybrid solution, offering business intelligence and media monitoring services as well as related technology solutions, is divided into four products/services:

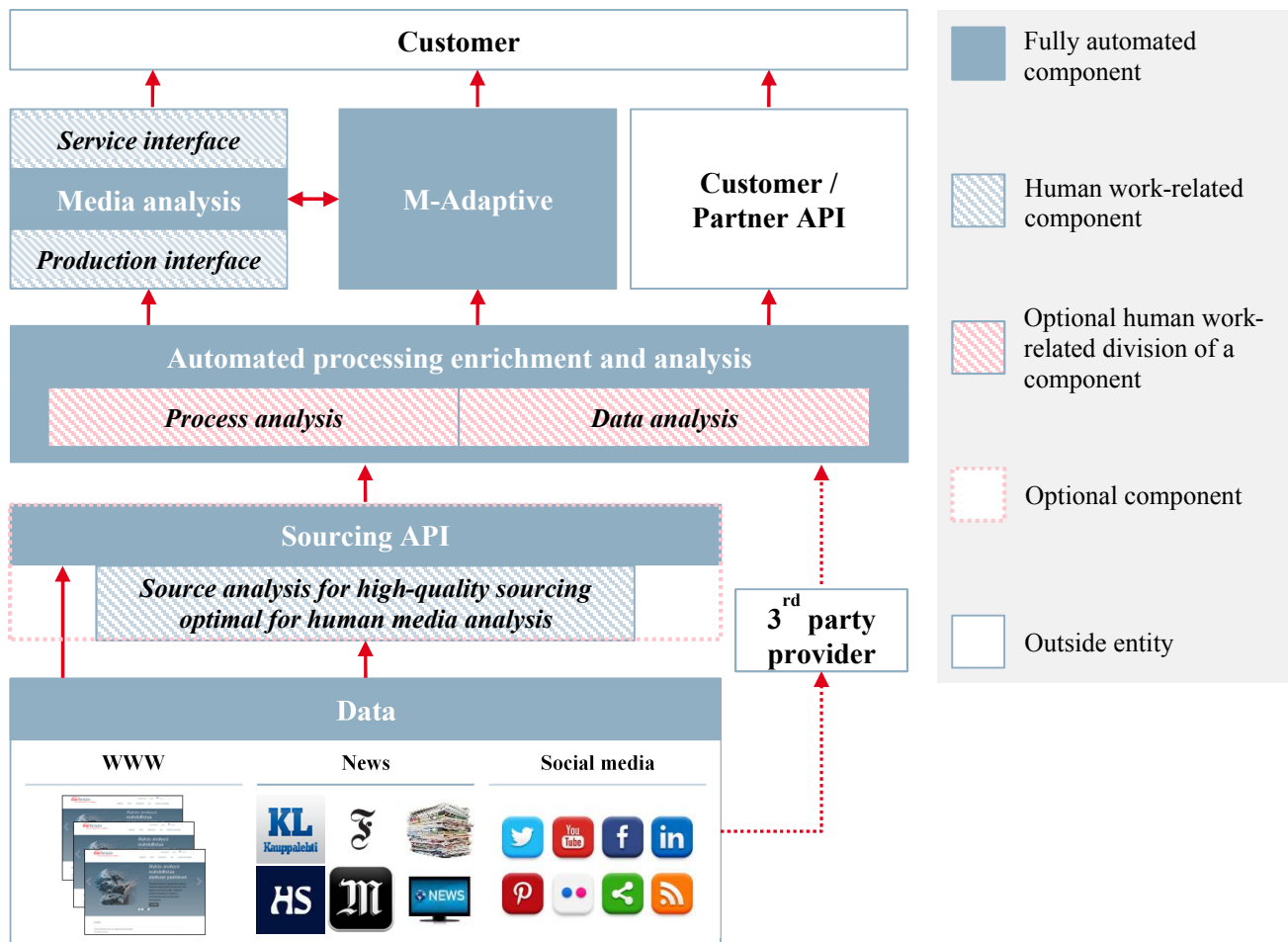
- M-Adaptive (accounted for approximately 5% of sales in 2013)
 - o SaaS based monitoring and analysis tool
 - o Combines information from both journalistic content and the social media
 - o Covers over 2.5 million sources and 68 languages
 - o High margin business that is on a high growth trajectory
- M-Update (accounted for approximately 45% of sales in 2013)
 - o Media monitoring service
 - o Service covering online media, social media, corporate websites and traditional printed media
 - o Allows customers to track what is being said about the company, its industry and products as well as competitors and brands
 - o Combines proprietary harvesting and filtering technology and a workforce of 300 experienced analysts
- Esmerk BI News Services (accounted for approximately 45% of sales in 2013)
 - o Tailored global awareness service, keeping companies aware of changes in their complex business environments
 - o Provides insightful reports on what is happening in whatever industry clients operate in
- M-Analysis (accounted for approximately 5% of sales in 2013)
 - o In-depth analyses, measurement and metrics based on editorial (both print and online) and social media content
 - o M-Brain can analyse a company's media exposure, reputation, competitors, the trending topics in its business field, and much more
 - o Analyses are always client-specific and presented in a compact format with an emphasis on interpretation and presenting alternatives for the future based on agreed key performance indicators ("KPIs")



M-Brain's technological IPR, the core engine and the advanced visual solutions are the result of in-house R&D, which specializes in business intelligence ("BI")-relevant purification, enhancement, clustering and semantic enrichment of media data. The approach applies machine learning and text analytics to a complex big data domain in the amplified intelligence context. At the core of the R&D roadmap lies the recognition of business-relevant media events, prediction, scenario analysis and proactivity.

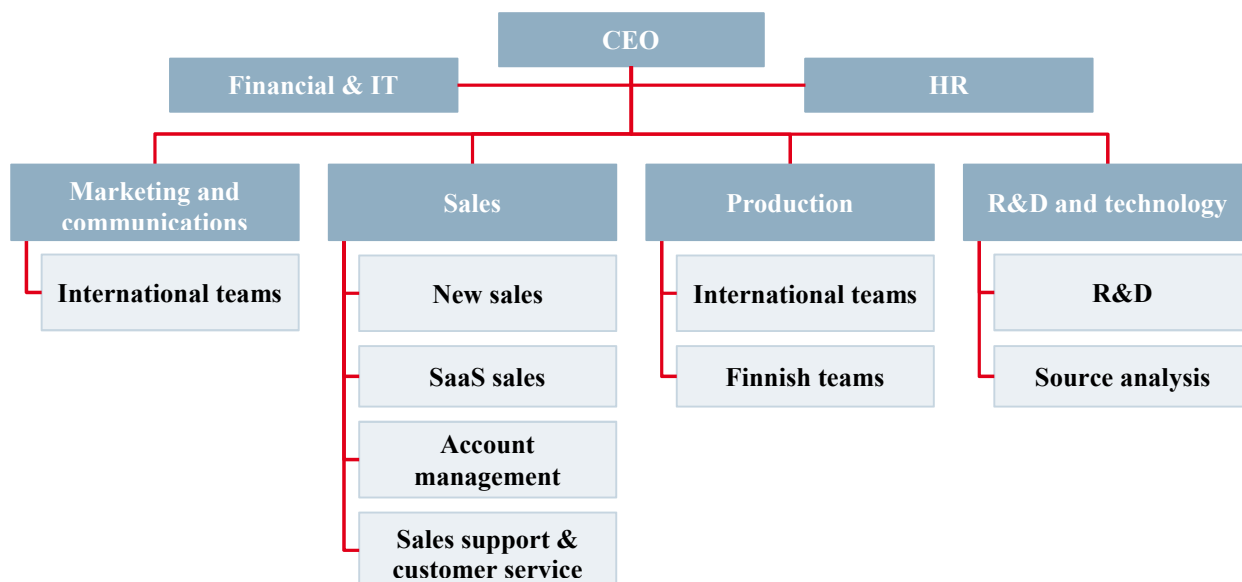
M-Brain has built a well thought out technology and production architecture which combines human quality with scalable technology. The whole M-Brain offering, both services and the new SaaS tools, rely on the same architecture and core competencies, developed in-house under the leadership of M-Brain's technology management

Simplified description of technology set-up

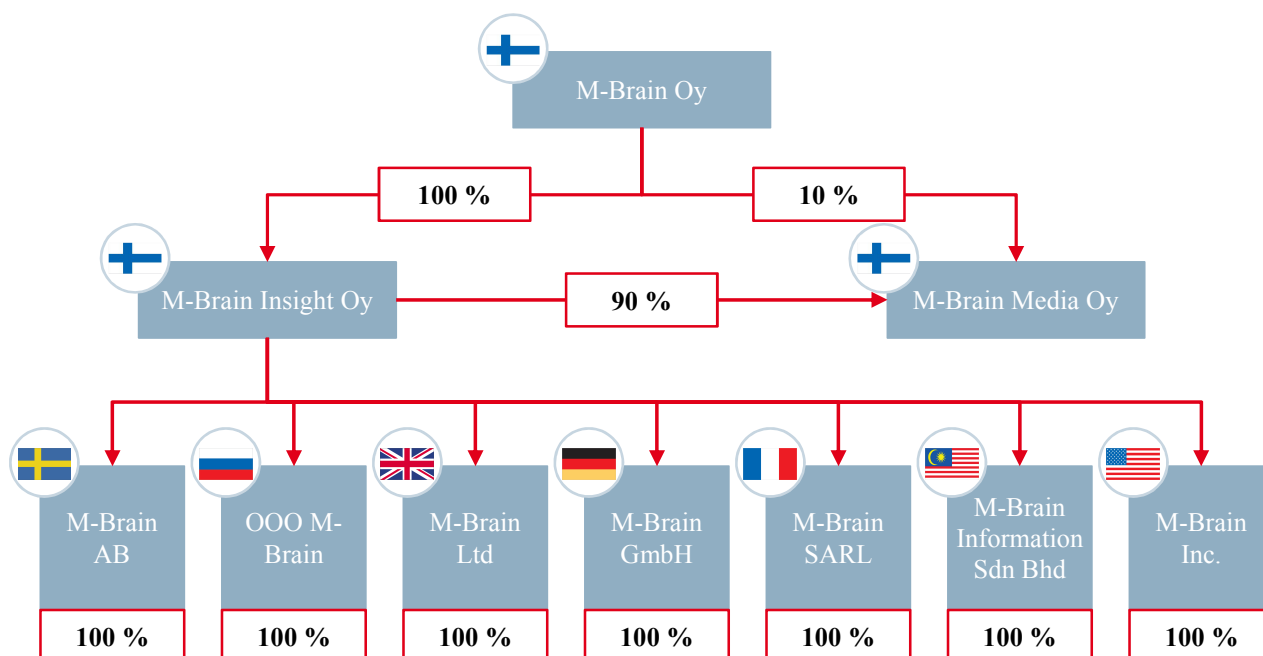


Headquartered in Finland, the Company has European sales and global production capabilities through offices in France, Germany, Great Britain, Malaysia, Russia and Sweden. A clear majority (approx. 70% in 2013) of the sales are generated in Finland with good development in other parts of Europe. The local offices produce domestic information, while the remaining regions are covered by the Malaysian and UK offices. The office in Malaysia is focused solely on production and covers Africa, Middle East and North America in addition to the Asia-Pacific region. The UK office serves the remaining regions i.e. Central Europe, Eastern Europe, Latin America and the Mediterranean.

Organisation



Legal structure



A merger of M-Brain Media Oy with M-Brain Insight Oy is pending and is expected to be consummated on 30 June 2014.

The Company's customers have thus far consisted of large international blue chip companies and local government linked institutions, including DHL, Fortum, Kone, H&M, the Ministry of Foreign Affairs of Finland, Nordic Investment

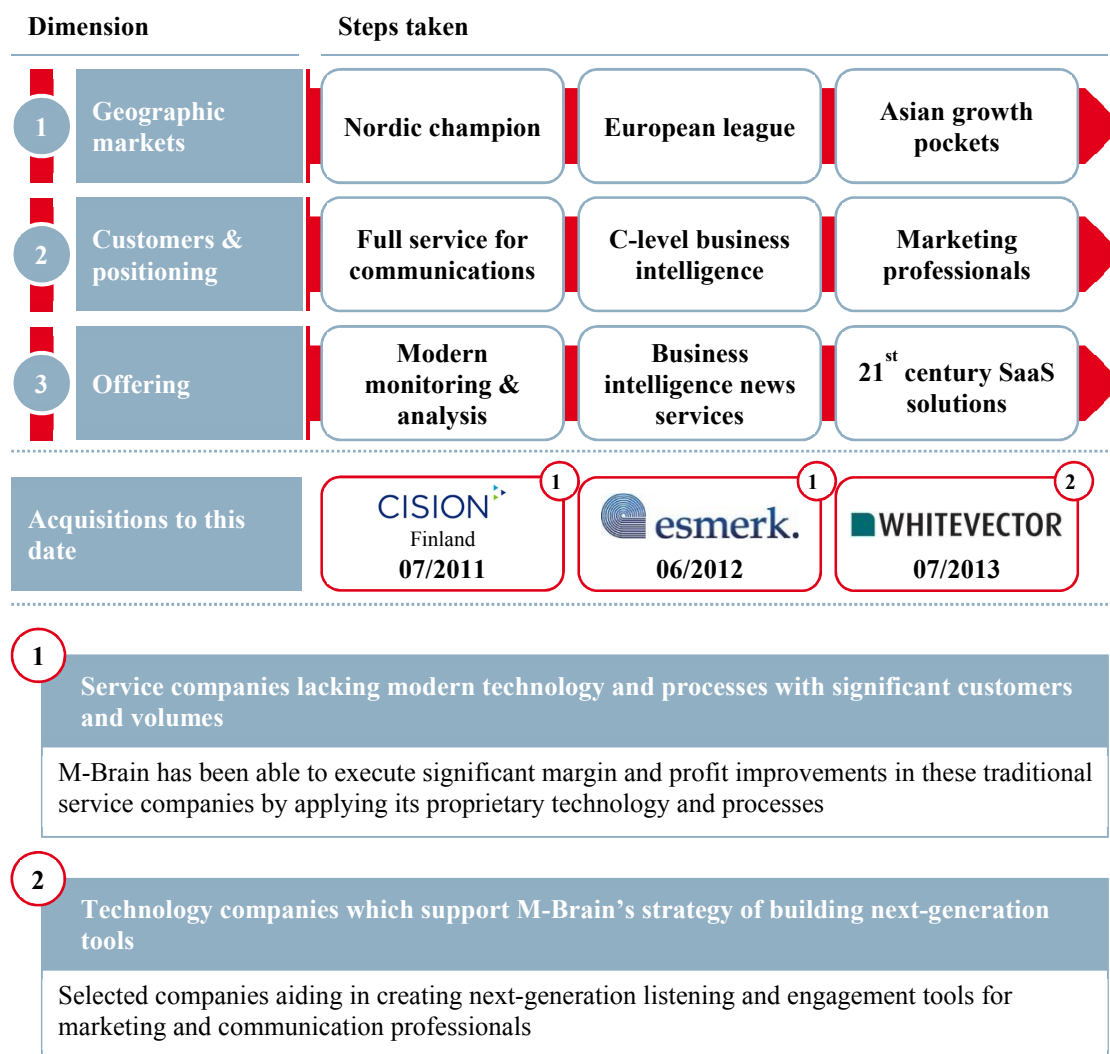
Bank, TeliaSonera and WWF. The introduction of the M-Adaptive SaaS based monitoring and analysis tool allows M-Brain to offer its solutions to smaller organisations as well. M-Brain's services and products are utilised by senior management and business development functions in order to track the development of its markets but also by the communications and public relations ("PR") functions in order to quickly respond to eminent news and feedback affecting the image of the customer company.

The Company estimates that approximately 90% of sales are direct and the rest are through media and PR channels. The service agreements are negotiated directly with customers and are typically based on monthly fees. SaaS tools pricing is based on content volume per month.

Strategy

The competitive intelligence field is characterised by a number of small and local providers in a fragmented market with a number of different operative models and service offerings. Most of the companies are either service or technology focused. Service-oriented approaches lack the scalability to cover a significant portion of the channels and media outlets required, while technology-only approaches are typically limited static metrics such as total views. To address the needs of its customers M-Brain has selected to pursue a hybrid operating model. M-Brain's business model of augmented intelligence is capable of providing the breadth of channel coverage and dynamic metrics demanded by modern marketers and decision makers.

M-Brain's strategy is based on taking part in the on-going market consolidation from two different angles. On one hand, the Company targets service companies lacking modern technology and processes with significant customers and volumes. Via these acquisitions M-Brain is able to execute significant margin and profit improvements by applying its proprietary technology and processes. On the other hand, M-Brain is on the look-out for technology companies which support M-Brain's strategy of building next-generation tools. These companies aid in creating next-generation listening and engagement tools for marketing and communication professionals.



Thus far, the Company has executed three acquisitions: Oy Cision Finland Ab in July 2011, Esmerk Oy in June 2012 and Whitevector Oy July 2013 (remaining majority stake). Oy Cision Finland Ab and Esmerk Oy were both traditional service companies, wherein M-Brain applied its proprietary technology and processes resulting in significant margin and profit improvements.



Key figures at acquisition ¹		Characteristics
Net sales	Circa EUR 8 m	<ul style="list-style-type: none">• Traditional market's leader in Finland• Relied on outsourced technology
EBITDA	Ca 0% of sales	
Reasons for acquisition		
<ul style="list-style-type: none">• Leading provider of traditional services in Finland• Large volumes and a good customer base• Potential for enhanced and more cost-efficient processes due to superior in-house technologies of M-Brain		
Main measures taken in terms of integration		
<ul style="list-style-type: none">• Cision's production process was migrated to M-Brain's technology platform, resulting in a 20% reduction in staffing• Clients were also migrated to M-Brain's technology platform		
Outcome of acquisition and integration		
<ul style="list-style-type: none">• Within 12 months of the acquisition, M-Brain was able to return the company to profitability• Combined entity (Cision + M-Brain) delivered an EBITDA margin of over 10% and still improving		



Key figures at acquisition ¹		Characteristics
Net sales	Circa EUR 10 m	<ul style="list-style-type: none">• No significant proprietary technology• Limited social & digital media capabilities
EBITDA	Ca 10% of sales	
Reasons for acquisition		
<ul style="list-style-type: none">• Strong presence in Northern and Central Europe and Russia with an offshore production office in Malaysia• Potential for enhanced and more cost-efficient processes due to superior in-house technologies of M-Brain		
Main measures taken in terms of integration		
<ul style="list-style-type: none">• Change of key personnel• Efficiency enhanced by migrating production to M-Brain's technology platform		
Outcome of acquisition and integration		
<ul style="list-style-type: none">• In less than 12 months, M-Brain had fully integrated the company and changed key personnel• M-Brain's EBITDA margin in 2013 amounted to close to 15% with Esmerk and still improving		

¹Key figures refer to last twelve months before the acquisition

The Company has identified a handful of players operating in the Baltic Sea - Central Europe region. Currently, M-Brain is conducting in-depth talks with certain companies. Additionally, the Company is scouting for other targets.

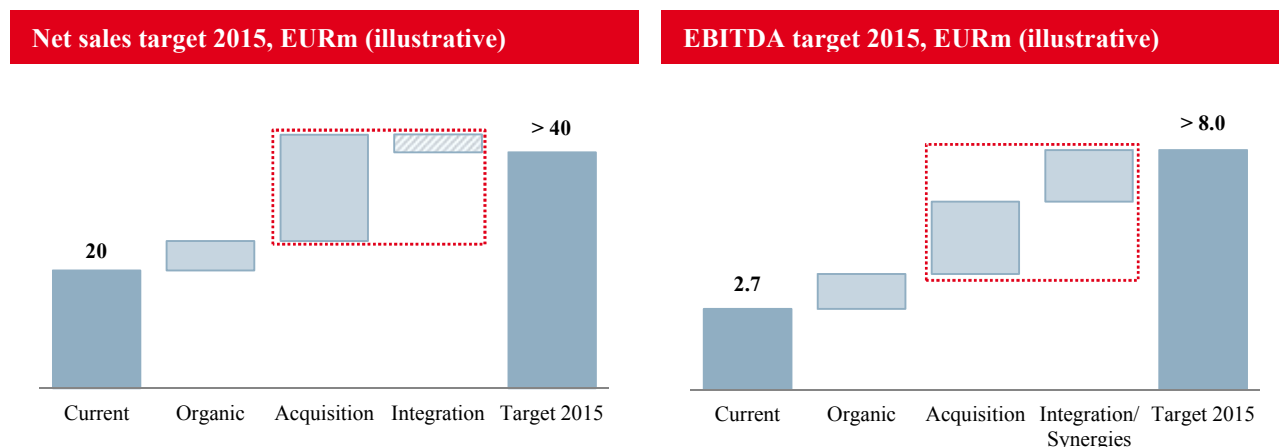
Due to recent experience, M-Brain has refined its acquisition processes. The information needed from due diligence processes is essentially known in advance due to the gained experience. Potential pitfalls are also known and have been identified making the due diligence processes rigorous but also efficient from M-Brain's point of view. With three successfully closed and integrated acquisitions during 2011-2013, M-Brain has proven the capabilities of its modus operandi. Integration processes have been swift and efficient and the synergies that the Company has been able to extract from the previous acquisitions are clear and scalable to other acquisitions.

M-Brain's target is to cement its position as the leading player active in the Baltic Sea - Central Europe axis. The Company has already acquired the leading traditional service provider in Finland and has a footprint covering a good part of the continent.

In terms of financial targets, M-Brain is targeting net sales of in excess of EUR 40 million and an EBITDA of over EUR 8 million by 2015. In terms of net sales, organic growth is expected to stem from the newly introduced SaaS tool as well as from new customers and a larger share of existing customers' business. However, most of the top line growth will be derived from acquisitions although some of the acquired volume will diminish as small, nonstrategic and unprofitable customers will be allowed to terminate their service. EBITDA increase is explained by acquisitions and synergies therefrom having, in a similar fashion as previous acquisitions, a profound effect on the Company's

profitability. Additionally, profitability is expected to enhance due to scalable operations, especially within SaaS, and some operational enhancements.

Illustration of financial targets 2015



Patents and Other IPRs

M-Brain holds the following patents:

- EP2080126 A1 for assessing semantic relevance of a document given a set of comparison terms;
- EP2131295 A2 for auto-segmentation of web content;
- FI 120807 for semantic filtering of harvested material by relevance vectors;
- FI 122369 B for positive/negative sentiment analysis of textual data given examples; and
- FI 122317 B for automated removal of irrelevant content in a text document.

In addition to the above, M-Brain has a pending international patent application PCT/FI2011/050584 for language-independent retrieval of relevant documents using a conceptual representation.

M-Brain owns a number of web domains including:

- www.m-brain.com;
- www.m-adaptive.com; and
- new.m-adaptive.com.

M-Brain also owns certain databases and indices of enrichment and analysis of media data produced both automatically and by its own analysts. M-Brain does not own any major purchased databases. A significant part of M-Brain's product offering utilizes proprietary code developed in-house and, in addition to that, free open-source standard libraries with a license that allows commercial use.

Material Contracts

All of M-Brain's revenue on a consolidated basis arises from business with corporate customers and the vast majority of customer agreements are entered into by its subsidiaries M-Brain Insight Oy and M-Brain Media Oy. The ten largest customers of M-Brain Insight Oy accounted for 24% of M-Brain Insight Oy's total revenues from its 100 largest customers in 2013. The ten largest customers of M-Brain Media Oy accounted for 27% of M-Brain Media Oy's total revenues from its 100 largest customers in 2013.

As M-Brain largely relies on its own research and development to create proprietary technology, its supply agreements relate mainly to the supply and provision of administrative services and office software licenses. M-Brain purchases part of its raw data from third party providers where harvesting by other means is not commercially sensible.

The Company has not entered into any material contracts outside the ordinary course of business.

Personnel

M-Brain had 302 full time employees on average during fiscal 2013, of which 214 worked in production and 88 in sales, administrative and technology support functions.

Litigation

M-Brain has no pending governmental, legal or arbitration proceedings which are expected to have a significant impact on the financial position or profitability of M-Brain.

Reasons for Decision to Apply for Admission to Trading

M-Brain views the First North Bond Market as an attractive platform for the Company's endeavours to enhance market awareness of and confidence in the Company and its operations, thus also increasing the interest of current and potential business partners and customers.

Use of Proceeds

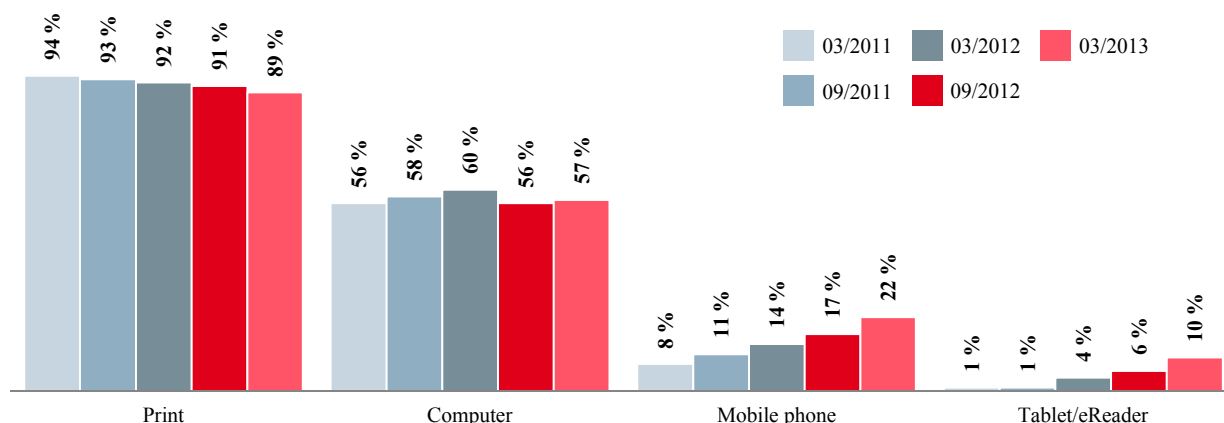
M-Brain intends to use the proceeds from the Notes towards acquisition of companies, businesses and undertakings operating in the business intelligence market. M-Brain has in its previous acquisitions been able to execute margin and profit improvements by applying its proprietary technology and processes in the acquired business.

MARKET OVERVIEW

General Development and Background

The shift of news consumption from print to online sources is changing the industry landscape. The number of people reading newspaper in print has been falling during the past few years. Simultaneously news portals and online newspapers are gaining more readers. The number of smartphones has increased clearly during the past years and tablets and eReaders have been introduced to the market quite recently. Today a growing number of people are accessing news on their mobile devices. According to various studies, the aggregated popularity of both print and online news has increased as measured by daily audiences. However, the time spent with the news has decreased, meaning that consumers tend to quickly flick through the news.

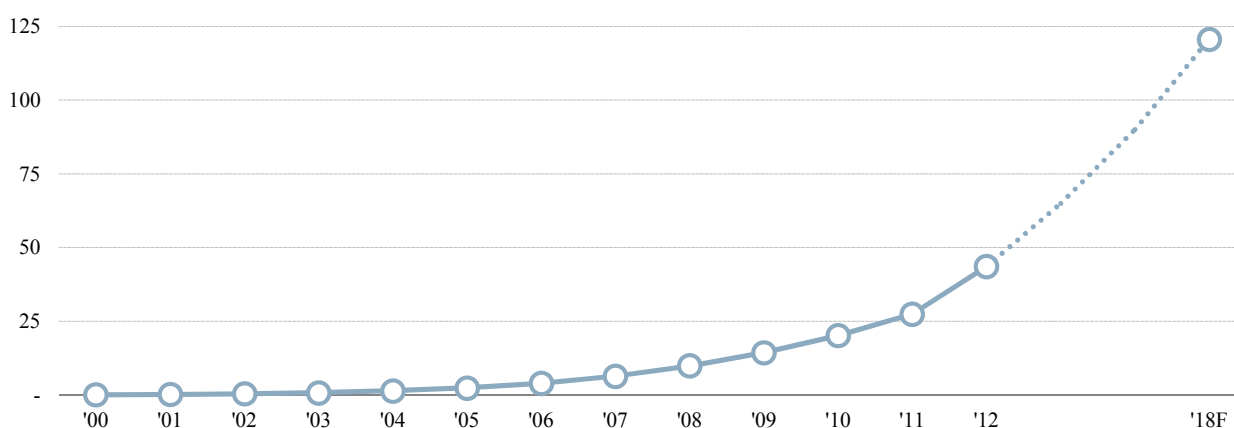
Weekly newspaper reading in Finland (% of respondents)



Source: Finnish Newspapers Association

Global internet traffic is growing exponentially. In 2000, IP traffic averaged at 0.1 Exabyte per month. By 2018, the monthly average is expected to grow to 120.6 Exabyte – a 1,435-fold increase. According to IBM, by 2020 80% of all internet data will be unstructured content and that will require analysis. To be able to keep track of information more companies will need assistance. The rapid growth of data has decreased consumers' concentration span. According to Bitly, Inc., half of all the clicks or engagement that social media links will ever experience happens within about 3 hours of publication. The more timely the information, the more relevant it is. Conversely, the value and relevance of data erodes quickly – companies will need to access information quickly.

Global IP traffic (average Exabyte/month)

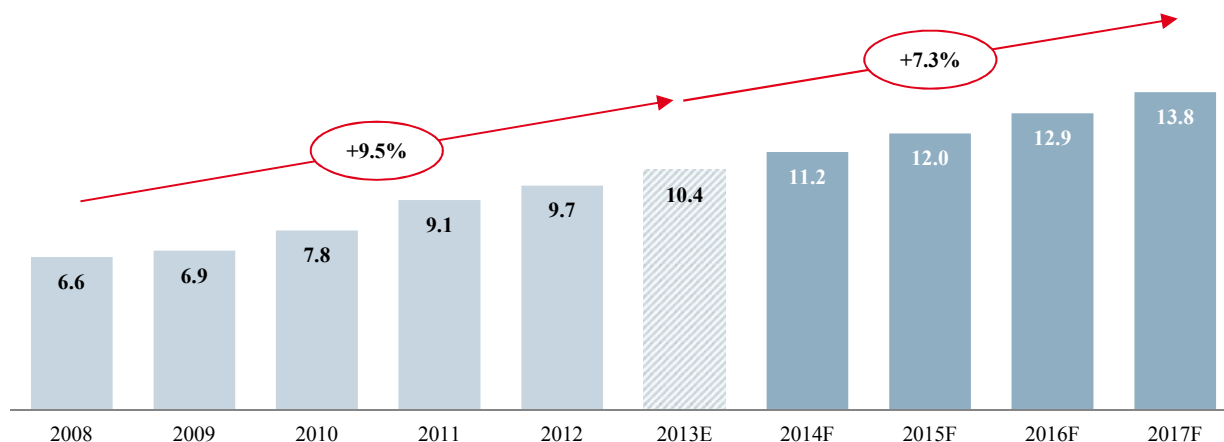


Source: Cisco

Business intelligence is a set of methodologies and technologies that transform raw data into meaningful and useful information for business purposes. The global business intelligence market of over EUR 10 billion is estimated to grow with a

compound annual growth rate (“CAGR”) of 7.3% during 2013E - 2017F, according to Gartner. The European market size is estimated as being EUR 1.5 - 2.0 billion according to various market reports.

Global business intelligence market (EUR billion) and CAGR



Source: Gartner

Competitive Landscape

In the Nordic markets, M-Brain often competes with local service companies. There are usually two to three local service companies, which traditionally run the market. These service companies, however, are not able to provide tech solutions. Examples of local services companies include Infomedia, O-Point and Retriever.

In Europe and globally, M-Brain competes with companies like Kantar Media, Gorkana, and iSentia. These companies have a narrow presence in the Nordics, but M-Brain’s limited presence outside of the Nordic region and continental Europe has challenged its ability to compete internationally. However, as with its domestic hybrid-model competitors, M-Brain’s hybrid model provides competitive advantages.

The Company also encounters limited competition from pure-play tech companies such as Radian6 (Salesforce), Meltwater, and Visible Technologies. In general, M-Brain has found its clients prefer a more full-service offering than those that these automated solutions are capable of supplying.

Trends and Prospects

Trend/Growth driver		Implication
1	Demand for technology-enabled intelligence service increasing...	<ul style="list-style-type: none"> As the marketing and news sources are shifting all the more online more and more companies are looking for technology-enabled services
2	...enabling ever smaller companies to use competitive intelligence	<ul style="list-style-type: none"> Companies are willing to spend more on intelligence. E.g. in Asia and in Europe, companies with intelligence budgets of approx. EUR 1.5 million or more did not exist five years ago, but today represent 2% to 3% of all intelligence budgets
3	Customer needs and demands becoming more complex	<ul style="list-style-type: none"> The introduction of technology into the process has also created a mass market for competitive intelligence Traditionally, only mega-corporations could afford the effort to cull information from large, diverse, disjointed datasets
4	New and swiftly changing technologies rising entry barrier	<ul style="list-style-type: none"> Through the higher degree of interconnection globally within companies and markets, companies need solutions that can offer global coverage. Additionally, being able to offer new services in the form of adaptability to customers' own systems are becoming ever more important
5	Falling cost of data allows a wider use of intelligence	<ul style="list-style-type: none"> The barrier to entry is rising as early developers of technology have gained a leading market position The cost of acquiring, storing and managing data is falling and more solutions are being offered to analyse and harvest the data Large companies are snapping specialists from different fields as interconnectivity has increased

HISTORICAL FINANCIAL INFORMATION

The 2012 and 2013 annual reports of the Company, which include the audited consolidated financial statements of the Company for the years ending 2012 and 2013 and the audit reports thereof, shall by reference be incorporated in, and form part of, this Company Description.

The Company's financial statements for the year ended 31 December 2013 are the first annual consolidated financial statements that comply with IFRS and that include both acquired businesses, Oy Cision Finland Ab (acquired in July 2011) and Esmerk Oy (acquired in June 2012), for the full fiscal period.

The financial statements for the years 2012 and 2013 have been audited by Deloitte & Touche Oy. The audits have not resulted in any qualifications.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (IFRS)	1.1. - 31.12.2013	1.1. - 31.12.2012
	(audited) (EUR, in thousands)	(audited)
Revenue	19,784.6	15,547.7
Other operating income	80.6	60.6
Materials and external services	-1,640.5	-1,320.5
Personnel expenses	-11,715.6	-9,550.9
Depreciation	-732.2	-584.3
Other operating expenses	-3,839.7	-3,669.8
Operating profit	1,937.1	482.8
Finance income	74.7	12.1
Finance costs	-339.5	-559.2
Finance costs (net)	-264.8	-547.1
Profit (loss) before income tax	1,672.3	-64.3
Income tax expense	-458.9	-135.7
PROFIT (LOSS) FOR THE PERIOD	1,213.4	-200.0
Other comprehensive income, net of income tax		
Items that may be reclassified subsequently to profit or loss:		
Currency translation differences	-3.3	-16.3
Other comprehensive income for the period, net of tax	-3.3	-16.3
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,210.1	-216.3
Profit attributable to:		
Owners of the company	1,213.4	-200.0
Total comprehensive income attributable to:		
Owners of the company	1,210.1	-216.3

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IFRS)	As at 31 December	
	2013	2012
	(audited)	(audited)
	(EUR, in thousands)	
ASSETS		
Non-current assets		
Goodwill	9,845.3	9,367.7
Development costs	975.3	866.8
Other intangible assets	852.6	945.3
Tangible assets	547.6	557.5
Available-for-sale financial assets	24.5	19.3
Deferred tax asset	29.2	63.6
Total non-current assets	12,274.6	11,820.2
Current assets		
Trade and other receivables	2,658.5	2,597.9
Other shares	2.4	2.4
Cash and cash equivalents	1,573.1	2,056.2
Total current assets	4,234.1	4,656.6
TOTAL ASSETS	16,508.7	16,476.8
EQUITY AND LIABILITIES		
Equity attributable to owners of the company		
Share capital	215.5	215.5
Share premium	247.2	247.2
Reserve for invested non-restricted equity	7,495.4	7,495.4
Retained earnings	-290.6	-1,534.6
Total equity	7,667.5	6,423.5
Non-current liabilities		
Borrowings	2,145.4	3,787.4
Deferred tax liability	144.4	177.5
Other liabilities	127.3	89.1
Total non-current liabilities	2,417.1	4,053.9
Current liabilities		
Borrowings	1,570.7	1,201.3
Advance payments	1,741.9	1,701.0
Trade payables	444.2	522.1
Other current liabilities	907.3	918.9
Accrued liabilities	1,760.1	1,656.0
Total current liabilities	6,424.1	5,999.4
Total liabilities	8,841.2	10,053.3
TOTAL EQUITY AND LIABILITIES	16 508,7	16 476,8

STATEMENT OF CHANGES IN EQUITY

(EUR, in thousands)

	Share capital	Share premium	Reserve for invested non-restricted equity	Retained earnings	Total
Balance at 31 December 2011 (FAS)	215.5	247.2	4,733.2	-1,322.6	3,873.3
Effect of adoption of IFRS				-17.4	-17.4
Balance at 1 January 2012 (restated)	215.5	247.2	4,733.2	-1,339.9	3,855.9
Comprehensive income					
Profit for the year				-200.0	-200.0
Other comprehensive income for the year, net of income tax					
Currency translation difference				-16.3	-16.3
Total comprehensive income for the year				-216.3	-216.3
Recognition of share-based payments				21.6	21.6
Share issue			2,762.3		2,762.2
Transactions with owners, total			2,762.3	21.6	2,783.9
Balance at 31 December 2012	215.5	247.2	7,495.4	-1,534.6	6,423.5
Balance at 1 January 2013	215.5	247.2	,7,495.4	-1,534.6	6,423.5
Comprehensive income					
Profit for the year				1,213.4	1,213.4
Other comprehensive income for the year, net of income tax					
Currency translation difference				-3.3	-3.3
Total comprehensive income for the year				1,210.1	1,210.1
Recognition of share-based payments				34.0	34.0
Transactions with owners, total				34.0	34.0
Balance at 31 December 2013	215.5	247.2	7,495.4	-290.6	7,667.5

	1.1. - 31.12.2013	1.1. - 31.12.2012
	(audited)	(audited)
	(EUR, in thousands)	
CONSOLIDATED STATEMENT OF CASH FLOWS		
Cash flows from operating activities		
Profit (loss) for the period	1,213.4	-200.0
Adjustments for:		
Impairments	0.0	298.4
Depreciation according to plan (+)	732.2	584.3
Other adjustments (income - / expenses +)	448.8	136.7
Financial income and expenses	264.8	210.0
	2,659.2	1,029.4
Changes in working capital:		
Non-current operative receivables	45.9	-24.9
Current operative receivables	-65.2	2,853.9
Current operative payables	-413.4	-618.4
	-432.7	2,210.6
Interest paid (-)	-334.8	-222.1
Dividends received	0.0	0.2
Interest received (+)	52.9	11.9
Income taxes paid	-263.1	-149.0
	-545.1	-359.0
Net cash generated by operating activities	1,681.4	2,881.0
Cash flows from investing activities		
Investments on tangible and intangible assets	-531.2	-521.6
Net cash outflow on acquisition of subsidiaries (-)	-4.5	-8,449.2
Net cash generated by investing activities	-535.7	-8,970.9
Cash flows from financing activities		
Proceeds from share issue (+)	0.0	2,762.3
Withdrawals of current borrowings (+)	0.0	1,159.2
Repayments of debt (-)	-1,628.8	0.0
Withdrawals of non-current borrowings (+)	0.0	2,504.7
Net cash used in financing activities	-1,628.8	6,426.1
Net increase in cash and cash equivalents	-483.1	336.3
Cash and cash equivalents at the beginning of the period	2,056.2	1,720.0
Cash and cash equivalents at the end of the period	1,573.1	2,056.2

	1.1. - 31.12.2013	1.1. - 31.12.2012
M-Brain Oy (Parent company) profit and loss statement (FAS)	(audited)	(audited)
	(EUR, in thousands)	
Revenue	1,592.6	1,729.5
Other operating income	0.0	0.0
Materials and external services	-12.9	-17.7
Personnel expenses	-921.5	-632.1
Depreciation	-23.2	-17.7
Other operating expenses	-658.7	-1,010.8
Operating profit	-23.7	51.1
Finance costs (net)	-210.8	-978.6
Profit (loss) before extraordinary items	-234.5	-927.5
Extraordinary items	1,000.0	150.0
Profit (loss) before appropriations and taxes	765.5	-777.5
Income taxes	-169.8	0.0
PROFIT (LOSS) FOR THE PERIOD	595.7	-777.5

M-Brain Oy (Parent company) balance sheet (FAS)	As at 31 December	
	2013	2012
	(audited)	(audited)
	(EUR, in thousands)	
ASSETS		
Non-current assets		
Development costs	51.5	27.4
Machinery and equipment	21.5	23.7
Other tangible assets	9.4	9.4
Holding in group undertakings	15,981.7	15,981.7
Total non-current assets	16,064.0	16,042.2
Current assets		
Receivables from group undertakings	205.9	205.9
Trade receivables	11.4	10.0
Amounts owed by group undertakings	73.1	20.8
Other receivables	28.4	33.1
Other receivables	4.2	4.2
Prepayments and accrued income	12.2	5.1
Other shares and similar rights of ownership	0.0	0.0
Other investments	2.4	2.4
Cash and cash equivalents	405.0	0.0
Total current assets	742.7	281.6
TOTAL ASSETS	16,806.8	16,323.7
EQUITY AND LIABILITIES		
Equity attributable to owners of the company		
Share capital	215.5	215.5
Share premium	247.2	247.2
Reserve for invested non-restricted equity	7,495.4	7,495.4
Retained earnings (loss)	-1,009.1	-231.6
Profit (loss) for the financial year	595.7	-777.5
Total equity	7,544.7	6,949.0
Non-current liabilities		
Amounts owed to credit institutions	1,805.5	3,704.8
Total non-current liabilities	1,805.5	3,704.8
Current liabilities		
Amounts owed to credit institutions	1,500.0	1,161.1
Trade payables	82.1	87.2
Amounts owed to group undertakings	5,452.9	4,198.5
Other current liabilities	59.0	111.3
Accruals and deferred income	362.5	111.9
Total current liabilities	7,456.5	5,670.0
Total liabilities	9,262.0	9,374.7
TOTAL EQUITY AND LIABILITIES	16 806,8	16 323,7

	1.1. - 31.12.2013	1.1. - 31.12.2012
	(audited)	(audited)
M-Brain Oy (Parent company) cash flow statement (FAS)	(EUR, in thousands)	
Cash flows from operating activities		
Profit (loss) for before extraordinary items	-234.5	-927.5
Adjustments for:		
Impairments	0.0	734.2
Depreciation according to plan (+)	23.2	17.7
Other adjustments (income - / expenses +)	0.0	41.7
Financial income and expenses	210.8	244.4
	-0.5	110.5
Changes in working capital:		
Non-current operative receivables	0	-205.9
Current operative receivables	-56.2	167.4
Current operative payables	2,277.9	4,576.2
	2,221.7	4,537.6
Interest paid (-)	-211.9	-247.3
Dividends received	0.0	0.2
Interest received (+)	1.2	2.7
Income taxes paid	0.0	0.0
	-210.8	-244.4
Net cash generated by operating activities	2,010.4	4,403.7
Cash flows from investing activities		
Investments on tangible and intangible assets	-45.0	-26.4
Net cash outflow on acquisition of group companies (-)	0.0	-10,834.6
Net cash generated by investing activities	-45.0	-10,861.0
Cash flows from financing activities		
Proceeds from share issue (+)	0.0	2,762.3
Withdrawals of current borrowings (+)	0.0	1,119.0
Repayments of debt (-)	-1,560.4	0.0
Withdrawals of non-current borrowings (+)	0.0	2,576.0
Net cash used in financing activities	-1,560.4	6,457.3
Net increase in cash and cash equivalents	405.0	0.0
Cash and cash equivalents at the beginning of the period	0.0	0.0
Cash and cash equivalents at the end of the period	405.0	0.0

During the fiscal year 2013 M-Brain continued with the integration of acquisitions and efficiency enhancements. Through the measures taken clear cost savings were accomplished and the operating profit developed positively as different functions were streamlined and the production procedures were enhanced.

The 2013 operating profit includes a total of EUR 206,000 of non-recurring costs in the form of settlements relating to acquisitions.

The R&D costs of 2013 amounted to EUR 803,000 or 4.1% of revenue. The R&D functions of the Company have been centralised in M-Brain Insight Oy. During the fiscal year 2013, the R&D actions mainly related to production architecture that combines human labour with scalable technology.

Illustrative post-bond net debt calculation

In connection with the issue of the Notes, the Company will arrange a share issue raising of a total of EUR 5,001,200 in return for the offered new shares in the Company, and will repay all bank loans. The table below illustrates the effect of the issue of Notes on net debt including the share issue. It should be noted that the illustrative calculation does not account for the fees paid in the connection of the two issues amounting to an estimated total of approximately EUR 300,000.

Illustrative post-bond net debt calculation (as per 31.12.2013)	31.12.2013	Financing arrangements	Post-financing
Interest-bearing debt	3,897.4	11,628.5	15,525.8
Tekes-loans	344.5	-	344.5
Other borrowings	3,371.5	11,628.5	15,000.0
<i>Repayment</i>	-	-3,371.5	-
<i>Issue of Notes</i>	-	15,000.0	-
Finance lease liabilities	181.3	-	181.3
Cash and cash equivalents	1,573.1	16,629.7	18,202.8
<i>Share issue</i>	-	5,001.2	-
<i>Issue of Notes</i>	-	15,000.0	-
<i>Repayment</i>	-	-3,371.5	-
Interest-bearing receivables	3.4	-	3.4
Net debt	2,320.9	-5,001.2	-2,680.3

Future outlook

M-Brain expects its 2014 net sales to be close to the same level as 2013 and EBITDA to grow to over EUR 3.3 million. The outlook is based on the assumption that the structure of sales is changing as customers terminate more human labour based service agreements and SaaS tools sales will grow. The future outlook does not account for potential acquisitions.

Financial calendar

Half-yearly report for the period 1 January 2014 – 30 June 2014:	29 August 2014
Financial statement for the period 1 January 2014 – 31 December 2014:	31 March 2015
Next annual general shareholder meeting:	Week 19 in 2015 (7 May 2015 expected)

BOARD OF DIRECTORS AND MANAGEMENT

Board of Directors

Kim Nyberg (born 1948), Executive Chairman of the Board. Mr. Nyberg has served on the board of numerous public relations and communications firms throughout Europe, including Hill + Knowlton Ltd, where he was also Chief Executive Officer.

Robert Ingman (born 1961), member of the Board. Mr. Ingman is also the full-time Chairman of the Board of Ingman Group Oy Ab and Chairman of the Board of Etteplan Plc and Halti Ltd. Mr. Ingman's previous posts include Managing Director at Arla Ingman.

Tage Lindberg (born 1952), member of the Board. Mr. Lindberg has worked with a number of technology companies as a management consultant during his tenure at Simberg & Partners, where he was the Chief Executive Officer until 2006.

Marjukka Nyberg (born 1951), member of the Board. Mrs. Nyberg is the founder and former Chief Executive Officer of M-Brain. Mrs. Nyberg is also the Chairman of the Board of the Finnish Information Specialists and holds a Master of Science degree in Communication and Applied Psychology from the University of Helsinki.

Petri Laine (born 1966), member of the Board. Mr. Laine is also the Investment Director of Veraventure, the venture capital arm of Finnvera. Mr. Laine has served on the boards of several technology companies. Prior to Veraventure, Mr. Laine worked for eight years in corporate finance.

Pirjo Stähle (born 1951), member of the Board. Mrs. Stähle has a background in academia, where she has held a number of professor positions. Mrs. Stähle serves on the Board of numerous bodies including CIMO and World Vision Finland.

Executive Management

Tuomo Räsänen (born 1969), Chief Executive Officer. Prior to joining M-Brain, Mr. Räsänen was the Chief Operating Officer, Language Services for Sanoma Learning of the Sanoma Group where he managed operations in eight countries. Mr. Räsänen holds a Master of Laws degree from the University of Turku and he has completed the INSEAD Advanced Management Program.

Jere Peiponen (born 1970), Chief Financial Officer. Prior to joining M-Brain, Mr. Peiponen was the Business Controller of Kotimaa Group and held several roles at Elisa Corporation. Mr. Peiponen holds a Master of Science degree in Economics from the University of Vaasa.

Kimmo Valtonen (born 1967), Chief Technology Officer. Prior to joining M-Brain, Mr. Valtonen led several machine learning research projects across the EU. Mr. Valtonen holds a Master of Science degree in Computer Science from the University of Helsinki.

Joakim Nyberg (born 1981), Marketing Manager. Prior to joining M-Brain, Mr. Nyberg worked at the Royal Danish Embassy in Helsinki. Mr. Nyberg holds a Master of Science degree from Hanken School of Economics in Helsinki.

Business Address

The business address of the members of the Board of Directors and the Executive Management is Kumpulantie 3, 00520 Helsinki.

Statement of Past Records

There have been no instances within the last 5 years of any conviction of economic crime, fraud related convictions, bankruptcies, enforced winding-up or similar insolvency processes where members of the Issuer's executive management or the board of directors have been involved and no such instances or processes are ongoing. No member of the Issuer's executive management or the board of directors have within the last 5 years been disqualified the right to act as a board member or member of the Issuer's executive management by a court of law.

OWNERSHIP STRUCTURE

General

Ownership structure prior to the issue of Notes:

Shareholder	Type	Ownership	
		Shares	%
YSMA Oy (Nyberg family)	Founders	8,177	39.0
Ingman Development Oy	Investor	5,356	25.5
Veritas Pension Insurance	Investor	4,033	19.2
Aloitusrahaso Vera Oy	Investor	2,855	13.6
Management	Management	500	2.4
Oy My Holding & Consulting Ab	Investor	50	0.2
Total		20,971	100.0

In connection with the issue of Notes the Company arranges a share issue, where Ilmarinen Mutual Pension Insurance Company invests in M-Brain along with selected current shareholders, i.e. Ingman Development Oy, Veritas Pension Insurance and Aloitusrahaso Vera Oy. The ownership structure after said equity financing is described in the table below:

Shareholder	Type	Ownership	
		Shares	%
YSMA Oy (Nyberg family)	Founders	8,177	34.7
Ingman Development Oy	Investor	5,935	25.2
Veritas Pension Insurance	Investor	4,242	18.0
Aloitusrahaso Vera Oy	Investor	3,117	13.2
Ilmarinen Mutual Pension Insurance Company	Investor	1,572	6.7
Management	Management	500	2.1
Oy My Holding & Consulting Ab	Investor	50	0.2
Total		23,593	100.0

The Certified Adviser does not hold any shares in the Company.

Related Party Transactions

YSMA Oy provides all services rendered by Kim Nyberg, Marjukka Nyberg and Joakim Nyberg to M-Brain.

M-Brain Oy has during 2012 and 2013 acquired certain services from Ståhle Oy, a company held by M-Brain's board member Pirjo Ståhle. Total fees for said services amounted to less than EUR 45,000 in 2013 and less than EUR 10,000 in 2012.

Related party transactions have been concluded on arm's length terms.

CERTIFIED ADVISER

The Lead Manager has acted as Certified Advisor for the Company during the period for application to admission to trading of the Notes and will act as advisor during the lifetime of the Notes.

Certified Adviser:

Evli Bank Plc, Corporate Finance
Aleksanterinkatu 19 A
FI-00100 Helsinki, Finland
Company registration number: 0533755-0

The Lead Manager has been approved as Certified Advisor by NASDAQ OMX Helsinki Ltd.

TERMS AND CONDITIONS OF THE NOTES



TERMS AND CONDITIONS FOR

M-BRAIN OY

EUR 15,000,000

SENIOR UNSECURED FIXED RATE NOTES

ISIN: FI4000100391

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1. DEFINITIONS AND CONSTRUCTION

1.1 Definitions

In these terms and conditions (the “**Terms and Conditions**”):

“**Accounting Principles**” means (a) international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC on the application of international accounting standards (or as otherwise adopted or amended from time to time, except where specifically stated to refer to such standards as in force on the Issue Date) or (b) the generally accepted accounting principles, standards and practices in Finland, in each case as applied by the Issuer in preparing its annual consolidated financial statements.

“**Acquisition Purpose**” has the meaning set forth in Clause 3.

“**Adjusted Nominal Amount**” means the Total Nominal Amount less the Nominal Amount of all Notes owned by a Group Company, irrespective of whether such Group Company is directly registered as owner of such Notes.

“**Agency Agreement**” means the agency agreement entered into on or before the Issue Date, between the Issuer and CorpNordic Finland Oy, or any replacement agency agreement entered into after the Issue Date between the Issuer and a replacing Agent.

“**Agent**” means CorpNordic Finland Oy, incorporated under the laws of Finland with corporate registration number 2343108-1, acting for and on behalf of the Noteholders in accordance with these Terms and Conditions, or another party replacing it, as Agent, in accordance with these Terms and Conditions.

“**Book-Entry Securities System**” means the OM system being part of the book-entry register maintained by the CSD or any other replacing book-entry securities system.

“**Book-Entry System Act**” means the Finnish Act on Book-Entry System and Clearing Operations (Fin: *Laki arvo-osuusjärjestelmästä ja selvitystoiminnasta* 749/2012, as amended).

“**Business Day**” means a day on which the deposit banks are generally open for business in Helsinki.

“**Business Day Convention**” means the first following day that is a CSD Business Day.

“**Change of Control Event**” means the occurrence of an event or series of events, other than as a result of an Initial Public Offering, whereby (i) one or more Persons acting in concert (Fin: *yksissä tuumin toimiminen*), acquire control over the Issuer or (ii) the Key Shareholders cease to control the Issuer, and where “control” means (a) acquiring or controlling, directly or indirectly, more than 50 per cent of the total voting rights represented by the shares of the Issuer (being votes which are capable of being cast at general meetings of shareholders), or (b) the right to, directly or indirectly, appoint or remove at least a majority of the members of the board of directors of the Issuer.

“**CSD**” means Euroclear Finland Oy, business identity code 1061446-0, Urho Kekkosen katu 5 C, P.O. Box 1110, 00101 Helsinki, Finland or any entity replacing the same as a central securities depository.

“**CSD Business Day**” means a day on which the Book-Entry Securities System is open in accordance with the regulations of the CSD.

“EBITDA” means in respect of any Measurement Period, the consolidated operating profit of the Issuer’s group after adding back any amount attributable to the amortisation or depreciation of assets and excluding non-recurring items as reported by the Issuer in its financial statements. With respect to any material companies, businesses or undertakings acquired during the relevant Measurement Period, EBITDA shall be calculated on a pro forma basis as if it had been a Group Company for the whole relevant Measurement Period in order to reflect the EBITDA impact of the acquired entity or business on the above covenant calculation.

“Escrow Account” means the bank account opened and held in the name of the Issuer with a reputable financial institution having its principal place of business in the Nordic region over which bank account the Issuer has no debit rights and the sole debit rights are held by the Agent (Fin: *sulkutili*), which is pledged to the Agent (for the benefit of the Noteholders and the Agent) under the Escrow Account Pledge Agreement and from which the Agent may release funds for the purpose of applying such funds towards the Acquisition Purpose.

“Escrow Account Pledge Agreement” means the pledge agreement entered into between the Issuer and the Agent on or about the Issue Date in respect of a first priority pledge over the Escrow Account and all funds held on the Escrow Account from time to time, granted in favour of the Agent and the Noteholders (represented by the Agent).

“Euro” and **“EUR”** means the single currency of the participating member states in accordance with the legislation of the European Community relating to Economic and Monetary Union.

“Event of Default” means an event or circumstance specified in paragraphs (a) to (h) of Clause 10.1.

“Exchange” means a regulated market, such as the Helsinki Stock Exchange, or a multilateral trading facility, such as First North Finland, each maintained by NASDAQ OMX Helsinki Ltd., both as defined in the EU Directive on Markets in Financial Instruments 2004/39/EC, or a corresponding multilateral system outside the European Economic Area operated and/or managed by an investment firm or a market operator which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments, in the system and in accordance with non-discretionary rules, in a way that results in a contract.

“Final Maturity Date” means 17 June 2017.

“Finance Documents” means these Terms and Conditions and any other document by which these Terms and Conditions are amended or any part thereof waived in compliance with Clause 16.

“Financial Indebtedness” means:

- (a) moneys borrowed (including under any bank financing);
- (b) the amount of any liability under any lease or hire purchase contracts which would, in accordance with the Accounting Principles be treated as a finance lease or a capital lease);
- (c) receivables sold or discounted (other than on a non-recourse basis, provided that the requirements for de-recognition under the Accounting Principles are met);
- (d) any amount raised pursuant to any note purchase facility or the issue of any bond or note or similar instrument;

- (e) any other transaction (including the obligation to pay deferred purchase price) having the commercial effect of a borrowing or otherwise being classified as borrowing under the Accounting Principles;
- (f) the marked-to-market value of derivative transactions entered into in connection with protection against, or in order to benefit from, the fluctuation in any rate or price (if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (g) counter-indemnity obligations in respect of guarantees or other instruments issued by a bank or financial institution; and
- (h) (without double-counting) liabilities under guarantees or indemnities for any of the obligations referred to in paragraphs (a) to (g) above.

“**Force Majeure Event**” has the meaning set forth in Clause 21.1.

“**Group**” means the Issuer and its Subsidiaries from time to time (each a “**Group Company**”).

“**Initial Public Offering**” means the listing of the shares in the Issuer on an Exchange as selected by the Issuer.

“**Insolvent**” means, in respect of a relevant Person, that it (i) is deemed to be insolvent within the meaning of Section 1 of Chapter 2 of the Finnish Bankruptcy Act (Fin: *Konkurssilaki* 120/2004, as amended) (or its equivalent in any other jurisdiction), (ii) admits inability to pay its debts as they fall due, (iii) suspends making payments on any of its debts, (iv) by reason of actual financial difficulties commences negotiations with its creditors (other than the Noteholders) with a view to rescheduling any of its indebtedness (including company reorganisation under the Finnish Act on Company Reorganisation (Fin: *Laki yrityksen saneerauksesta* 47/1993, as amended) (or its equivalent in any other jurisdiction)) or (v) is subject to involuntary winding-up, dissolution or liquidation.

“**Interest**” means the interest on the Notes calculated in accordance with Clauses 6.1 to 6.3.

“**Interest Payment Date**” means 17 June and 17 December of each year or, to the extent such day is not a CSD Business Day, the CSD Business Day following from the application of the Business Day Convention. The first Interest Payment Date for the Notes shall be 17 December 2014 and the last Interest Payment Date shall be the relevant Redemption Date.

“**Interest Period**” means (i) in respect of the first Interest Period, the period from (and including) the Issue Date to (but excluding) the first Interest Payment Date, and (ii) in respect of subsequent Interest Periods, the period from (and including) an Interest Payment Date to (but excluding) the next succeeding Interest Payment Date (or a shorter period if relevant). An Interest Period shall not be adjusted by application of the Business Day Convention.

“**Interest Rate**” means 8.00 per cent. *per annum*.

“**Issue Date**” means 17 June 2014.

“**Issuer**” means M-Brain Oy, a limited liability company incorporated under the laws of Finland with business identity code 1508015-4.

“**Issuing Agency Agreement**” means the agreement dated 11 June 2014 regarding services related to the Notes entered into by and between the Issuer and the Issuing Agent in connection with the issuance of the Notes (as amended and restated from time to time).

“Issuing Agent” means Evli Bank Plc acting as issue agent (Fin: *liikkeeseenlaskijan asiamies*) and paying agent of the Notes for and on behalf of the Issuer, or any other party replacing the same as Issuing Agent in accordance with the regulations of the CSD.

“Key Shareholders” means the shareholders of the Issuer at the Issue Date, being the Nyberg Shareholders, Ingman Group Oy Ab, Mutual Pension Insurance Company Ilmarinen, Aloitusrahasto Vera Oy and Veritas Eläkevakuutus and/or entity which is under the control of any of, or under common control of each or any of, the aforesaid persons or entities.

“Material Group Company” means, at any time, a Subsidiary of the Issuer which: (a) has earnings before interest, tax, depreciation and amortisation calculated on the same basis as EBITDA representing five (5) per cent. or more of consolidated EBITDA of the Group; or (b) has total assets representing five (5) per cent. or more of consolidated total assets of the Group; or (c) has total net sales representing five (5) per cent. or more of consolidated total net sales of the Group, in each case calculated on a consolidated basis.

“Measurement Period” means a twelve month period ending on a Reference Date or such shorter period as the context may require.

“Nominal Amount” has the meaning set forth in Clause 2.4.

“Noteholder” means the Person who is registered in the register maintained by the CSD pursuant to paragraph 2 of Section 3 of Chapter 6 of the Book-Entry System Act as direct registered owner (Fin: *omistaja*) or nominee (Fin: *hallintarekisteröinnin hoitaja*) with respect to a Note.

“Noteholders’ Meeting” means a meeting among the Noteholders held in accordance with Clause 14 (*Noteholders’ Meeting*).

“Notes” means debt instruments, each for the Nominal Amount and of the type referred to in paragraph 1 of Section 34 of the Act on Promissory Notes (Fin: *Velkakirjalaki 622/1947*, as amended) (Fin: *joukkovelkakirja*) and which are governed by and issued under these Terms and Conditions.

“Nyberg Shareholders” means Mr. Kim Nyberg, Ms. Marjukka Nyberg, Mr. Joakim Nyberg and/or any entity which is under the control of any of, or under common control of each or any of, the aforesaid persons or entities.

“Permitted Guarantee” means:

- (a) any endorsement of negotiable instruments in the ordinary course of business;
- (b) any guarantee of the performance by a Group Company under any contract entered into in the ordinary course of business; and
- (c) any guarantee given in respect of the netting or set-off arrangements permitted under Clause 9.2.2.

“Person” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, unincorporated organisation, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality.

“Record Time” means:

- (a) in relation to a payment of Interest, default interest and/or redemption of the Notes when such payment is made through the Book-Entry Securities System, the end of the first CSD Business Day prior to, as applicable, (i) an Interest Payment Date, (ii) the day on which default interest is paid, (iii) a Redemption Date or (iv) a date on which a payment to the Noteholders is to be made under Clause 11 (*Distribution of proceeds*); and
- (b) in relation to a Noteholders' Meeting and Written Procedure, the end of the CSD Business Day specified in the communication pursuant to Clause 14.3 or Clause 15.3, as applicable; and
- (c) otherwise, the end of the fifth CSD Business Day prior to another relevant date.

"Redemption Date" means the date on which the relevant Notes are to be redeemed or repurchased in accordance with Clause 7 (*Redemption and repurchase of the Notes*).

"Reference Date" means 30 June and 31 December in each year. The first Reference Date shall be 31 December 2015.

"Relevant Market" means the First North Finland maintained by NASDAQ OMX Helsinki Ltd.

"Security" means a mortgage, charge, pledge, lien, security assignment or other security interest securing any obligation of any Person, or any other agreement or arrangement having a similar effect.

"Subsidiary" means, in relation to any Person, any Finnish or foreign legal entity (whether incorporated or not), in respect of which such Person, directly or indirectly, (i) owns shares or ownership rights representing more than fifty (50) per cent. of the total number of votes held by the owners, (ii) otherwise controls more than fifty (50) per cent. of the total number of votes held by the owners, (iii) has the power to appoint and remove all, or the majority of, the members of the board of directors or other governing body, or (iv) exercises control as determined in accordance with the international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC on the application of international accounting standards (or as otherwise adopted or amended from time to time).

"Total Net Debt" means, at any time, the aggregate amount of interest-bearing liabilities of the Group Companies at that time deducted by the aggregate amount of cash and cash equivalents held by any Group Company at that time.

"Total Nominal Amount" means the aggregate Nominal Amount of all the Notes outstanding at the relevant time.

"Unused Amount" has the meaning set forth in Clause 7.3.1.

"Written Procedure" means the written or electronic procedure for decision making among the Noteholders in accordance with Clause 15 (*Written Procedure*).

1.2 Construction

1.2.1 Unless a contrary indication appears, any reference in these Terms and Conditions to:

- (a) **"assets"** includes present and future properties, revenues and rights of every description;
- (b) **"guarantee"** means any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any Person or to make an investment in or loan to any

Person or to purchase assets of any Person where, in each case, such obligation is assumed in order to maintain or assist the ability of such Person to meet its indebtedness.

- (c) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
- (d) an Event of Default is continuing if it has not been remedied or waived;
- (e) a provision of law is a reference to that provision as amended or re-enacted;
- (f) words denoting the singular number shall include the plural and vice versa; and
- (g) a time of day is a reference to Helsinki time.

1.2.2 When ascertaining whether a limit or threshold specified in Euro has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against Euro for the previous Business Day, as published by the European Central Bank on its website (www.ecb.int). If no such rate is available, the most recent rate published by the European Central Bank shall be used instead.

1.2.3 No delay or omission of the Agent or of any Noteholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

2. ISSUANCE AND STATUS OF THE NOTES

2.1 The Notes are denominated in Euro and each Note is constituted by these Terms and Conditions.

2.2 The Notes are offered for subscription in a minimum amount of EUR 100,000 by way of a private placement mainly to domestic and international institutional investors outside of the United States of America through a book-building procedure. The subscription period shall commence and end on 11 June 2014. Bids for subscription shall be submitted to Evli Bank Plc, Corporate Finance, Aleksanterinkatu 19, 00100 Helsinki, Finland, telephone +358 (0)9 4766 9271 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 part or in whole. 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 Issuer whether and, where applicable, to what extent such subscription is accepted. Subscriptions notified by the Issuer as having been accepted shall be paid for as instructed in connection with the subscription. Notes subscribed and paid for shall be entered by the Issuing Agent to the respective book-entry accounts of the subscribers on a date advised in connection with the issuance of the Notes in accordance with the Finnish legislation governing book-entry system and book-entry accounts as well as regulations and decisions of the CSD.

2.3 By subscribing for Notes, each initial Noteholder, and, by acquiring Notes, each subsequent Noteholder (i) agrees that the Notes shall benefit from and be subject to the Finance Documents and (ii) agrees to be bound by these Terms and Conditions and the other Finance Documents.

2.4 The nominal amount (Fin: *arvo-osuuden yksikkökoko*) of each Note is EUR 1 (the “**Nominal Amount**”). The aggregate nominal amount of the Notes is EUR 15,000,000. All Notes are issued on the Issue Date on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount.

2.5 The Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them.

- 2.6 Each Note is freely transferable after it has been registered into the respective book-entry account of a Noteholder but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local laws to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.

3. USE OF PROCEEDS

The Issuer shall use the proceeds from the issue of the Notes, less the costs and expenses incurred by the Issuer in connection with the issue of the Notes towards payment of the consideration (including associated costs and expenses) for the acquisition of companies, businesses and/or undertakings engaged in a business substantially the same as that carried on by the Issuer on the Issue Date, in each case provided that (i) the decision to make such acquisition is based on sound business reasons, has been made in a prudent professional manner and approved by the board of directors of the Issuer, (ii) customary due diligence reviews have been conducted in respect of the target of the acquisition (iii) no Event of Default is continuing or would occur as a result of such acquisition (the “**Acquisition Purpose**”). The proceeds from the issue of the Notes to be so applied shall first be paid to the Escrow Account. Any amounts from time to time standing to the credit of the Escrow Account shall be released by the Agent to the Issuer upon the Issuer’s written request thereof and applied towards the Acquisition Purpose, in each case provided that board of directors of the Issuer has approved the acquisition and the Issuer has provided the Agent with satisfactory information that the signing date of such acquisition will occur not later than 30 days from the date of the request and confirmed to the Agent that the conditions stated above for the acquisition are fulfilled.

4. NOTES IN BOOK-ENTRY FORM

- 4.1 The Notes will be issued in dematerialised form in the Book-Entry Securities System in accordance with the Book-Entry System Act and regulations of the CSD and no physical notes will be issued.
- 4.2 Each Noteholder consents to the Issuer having a right to obtain information on the Noteholders, their contact details and their holdings of the Notes registered in the Book-Entry Securities System, such as information recorded in the lists referred to in paragraphs 2 and 3 of Section 3 of Chapter 6 of the Book-Entry System Act kept by the CSD in respect of the Notes and the CSD shall be entitled to provide such information upon request. At the request of the Agent or the Issuing Agent, the Issuer shall (and shall be entitled to do so) promptly obtain such information and provide it to the Agent or the Issuing Agent, as applicable.
- 4.3 The Agent and the Issuing Agent shall have the right to obtain information referred to in Clause 4.2 from the CSD in respect of the Notes if so permitted under the regulation of the CSD. The Issuer agrees that each of the Agent and the Issuing Agent is at any time on its behalf entitled to obtain information referred to in Clause 4.2 from the CSD in respect of the Notes.
- 4.4 The Issuer shall issue any necessary power of attorney to such persons employed by the Agent as are notified by the Agent, in order for such individuals to independently obtain information referred to in Clause 4.2 directly from the CSD in respect of the Notes. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Noteholders.
- 4.5 The Issuer, the Agent and the Issuing Agent may use the information referred to in Clause 4.2 only for the purposes of carrying out their duties and exercising their rights in accordance with these Terms and Conditions with respect to the Notes and shall not disclose such information to any Noteholder or third party unless necessary for the before-mentioned purposes.

5. PAYMENTS IN RESPECT OF THE NOTES

- 5.1 Any payments under or in respect of the Notes pursuant to these Terms and Conditions shall be made to the Person who is registered as a Noteholder at the Record Time prior to an Interest Payment Date or other relevant due date in accordance with the Finnish legislation governing the Book-Entry Securities System and book-entry accounts as well as the regulations of the CSD.
- 5.2 If, due to any obstacle affecting the CSD, the Issuer cannot make a payment, such payment may be postponed until the obstacle has been removed. Any such postponement shall not affect the Record Time.
- 5.3 The Issuer is not liable to gross-up any payments under the Finance Documents by virtue of any withholding tax, public levy or the similar.
- 5.4 All payments to be made by the Issuer pursuant to these Terms and Conditions shall be made without (and free and clear of any deduction for) set-off or counterclaim.

6. INTEREST

- 6.1 Each Note carries Interest at the Interest Rate from (and including) the Issue Date up to (but excluding) the relevant Redemption Date.
- 6.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Notes shall be made to the Noteholders on each Interest Payment Date for the preceding Interest Period.
- 6.3 Interest shall be calculated on the basis of a 360-day year comprised of twelve months of 30 days each and, in case of an incomplete month, the actual number of days elapsed (30/360-days basis).
- 6.4 If the Issuer fails to pay any amount payable by it on its due date, default interest shall accrue on the overdue amount from (and including) the due date up to (but excluding) the date of actual payment at a rate which is three (3) percentage points higher than the Interest Rate. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent, the Issuing Agent or the CSD, in which case the Interest Rate shall apply instead.

7. REDEMPTION AND REPURCHASE OF THE NOTES

7.1 Redemption at maturity

The Issuer shall redeem all of the outstanding Notes in full on the Final Maturity Date with an amount per Note equal to the Nominal Amount together with accrued but unpaid Interest. If the Final Maturity Date is not a CSD Business Day, then the redemption shall occur on the CSD Business Day determined by application of the Business Day Convention.

7.2 Issuer's purchase of Notes

The Issuer may at any time and at any price purchase any Notes on the market or in any other way, provided that if purchases are made through a tender offer, the possibility to tender must be made available to all Noteholders on equal terms. The Notes held by the Issuer may at the Issuer's discretion be retained, sold or cancelled by the Issuer.

7.3 Voluntary/Mandatory partial redemption (call and put option)

- 7.3.1 If at least 20 per cent. of the proceeds from the issue of the Notes, less the costs and expenses incurred by the Issuer in connection with the issue of the Notes, have not been applied towards

the Acquisition Purpose (the actual amount not being applied for such purpose being the “Unused Amount”) on or before the date falling eighteen (18) months from the Issue Date:

- (a) the Issuer may redeem part of the outstanding Notes in full at any time after that date at an amount per Note equal to 104 per cent. of the Nominal Amount together with accrued but unpaid Interest, provided that if the Issuer exercises its call option right under this paragraph (a), Notes held by each Noteholder shall be redeemed *pro rata* and in an aggregate amount corresponding to the Unused Amount plus 4 per cent. of the aggregate Nominal Amount of the Notes so redeemed (rounded downwards to comply with the requirement that Notes should be redeemed in full); and
- (b) each Noteholder shall have a right to request part of the Notes held by it to be repurchased in full at a price equal to the aggregate nominal amount of such Notes together with accrued but unpaid Interest on each such Note redeemed under this Clause 7.3.1(b), provided that if a Noteholder exercises its put option right under this paragraph (b), Notes held by such Noteholder shall be redeemed *pro rata* to the Unused Amount (rounded downwards to comply with the requirement that Notes should be redeemed in full).

7.3.2 Partial redemption in accordance with Clause 7.3.1 shall be made by the Issuer giving not less than fifteen (15) Business Days’ notice to the Noteholders and the Agent. Any such notice is irrevocable and, upon expiry of such notice, the Issuer is bound to redeem the relevant Notes in full on the immediately following Interest Payment Date at the applicable amounts. The applicable amount shall be an even amount in Euro (rounded downwards) and paid to the Person who is registered as a Noteholder at the Record Time prior to the relevant repurchase date. Any amounts standing to the credit of the Escrow Account shall be released by the Agent to the Issuer for the purposes of making the redemption in accordance with Clause 7.3.1 after the due receipt by the Agent of the notice referred to in above.

7.4 Early redemption due to illegality (call option)

- 7.4.1 The Issuer may redeem all, but not only some, of the outstanding Notes at an amount per Note equal to the Nominal Amount together with accrued but unpaid Interest on a date determined by the Issuer if it is or becomes unlawful for the Issuer to perform its obligations under the Finance Documents.
- 7.4.2 The Issuer shall give notice of any redemption pursuant to Clause 7.4.1 no later than twenty (20) Business Days after having received actual knowledge of any event specified therein (after which time period such right shall lapse).
- 7.4.3 A notice of redemption in accordance with Clause 7.4.1 is irrevocable and, on the date specified in such notice, the Issuer is bound to redeem the Notes in full at the applicable amounts.

7.5 Mandatory repurchase due to a Change of Control Event (put option)

- 7.5.1 Upon the occurrence of a Change of Control Event, each Noteholder shall have the right to request that all, or only some, of its Notes be repurchased at a price per Note equal to 100 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of twenty (20) Business Days following a notice from the Issuer of the Change of Control Event pursuant to Clause 8.1.2 (after which time period such right shall lapse).
- 7.5.2 The notice from the Issuer pursuant to Clause 8.1.2 shall specify the repurchase date that is a CSD Business Day and include instructions about the actions that a Noteholder needs to take if it wants Notes held by it to be repurchased. If a Noteholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall, or shall procure

that a Person designated by the Issuer will, repurchase the relevant Notes and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 8.1.2. The repurchase date must fall no later than forty (40) Business Days after the end of the period referred to in Clause 7.5.1.

- 7.5.3 The Issuer shall comply with the requirements of any applicable securities laws and regulations in connection with the repurchase of Notes. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 7.5, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 7.5 by virtue of the conflict.
- 7.5.4 Any Notes repurchased by the Issuer pursuant to this Clause 7.5 may at the Issuer's discretion be retained, sold or cancelled.
- 7.5.5 The Issuer shall not be required to repurchase any Notes pursuant to this Clause 7.5, if a third party in connection with the occurrence of a Change of Control Event offers to purchase the Notes in the manner and on the terms set out in this Clause 7.5 (or on terms more favourable to the Noteholders) and purchases all Notes validly tendered in accordance with such offer. If the Notes tendered are not purchased within the time limits stipulated in this Clause 7.5, the Issuer shall repurchase any such Notes within five (5) Business Days after the expiry of the time limit.
- 7.5.6 If Notes representing more than 75 per cent of the aggregate nominal principal amount of the Notes have been repurchased pursuant to this Clause 7.5, the Issuer is entitled to repurchase all the remaining outstanding Notes at the price stated in Clause 7.5.1 above by notifying the remaining Noteholders of its intention to do so no later than fifteen (15) Business Days after the latest possible repurchase date pursuant to Clause 7.5.2. Such prepayment may occur at the earliest on the tenth CSD Business Day following the date of such notice.

8. INFORMATION TO NOTEHOLDERS

8.1 Information from the Issuer

- 8.1.1 The Issuer will make the following information available to the Noteholders by publication on the website of the Issuer:
- (a) as soon as the same become available, but in any event within three (3) months after the end of each financial year, its audited consolidated financial statements for that financial year and annual report;
 - (b) as soon as the same become available, but in any event within two (2) months after the end of each half of its financial year, its unaudited consolidated financial statements or the year-end report (Fin: *tilinpäätöstiedote*) (as applicable) for such period;
 - (c) as soon as practicable following an acquisition or disposal of Notes by a Group Company, the aggregate Nominal Amount held by the Group Companies, or the amount of Notes cancelled by the Issuer;
 - (d) any other information required to be disclosed under the Finnish Securities Markets Act (Fin: *Arvopaperimarkkinalaki* 746/2012, as amended) and the rules and regulations of the Relevant Market; and
 - (e) any other information that would, if the Notes were as of the Issue Date listed on the First North Finland maintained by NASDAQ OMX Helsinki Ltd, be required pursuant to the Rules of the First North Finland of NASDAQ OMX Helsinki Ltd (as in force from time to time).

- 8.1.2 The Issuer shall immediately notify the Noteholders and the Agent upon becoming aware of the occurrence of a Change of Control Event. Such notice may be given in advance of the occurrence of a Change of Control Event and be conditional upon the occurrence of such Change of Control Event if a definitive agreement is in place providing for a Change of Control Event.
- 8.1.3 When the financial statements and other information are made available to the Noteholders pursuant to Clause 8.1.1, the Issuer shall send copies of such financial statements and other information to the Agent.
- 8.1.4 The Issuer shall together with the financial statements submit to the Agent a compliance certificate in the form of Appendix 1 hereto (i) setting out calculations and figures as to compliance with Clause 9.3 (*Financial undertakings*), (ii) containing a confirmation that no Event of Default has occurred (or if an Event of Default has occurred, what steps have been taken to remedy it and (iii) provided that the aggregate amount drawn under the revolving credit facility referred to in Clause 9.1.2(b) exceeds 50 per cent. of the total amount of that revolving credit facility, containing a confirmation thereof.
- 8.1.5 The Issuer shall immediately notify the Agent (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.
- 8.1.6 The Issuer shall, promptly after the occurrence of a material event that the Issuer announces publicly or any acquisition, disposition or restructuring, merger or similar transaction that is material to the Issuer or its subsidiaries, taken as a whole, or a senior executive officer or director changes at the Issuer or a change in auditors of the Issuer, submit to the Noteholders and the Agent a report containing a description of such event. For purposes this paragraph, an acquisition or disposition shall be deemed to be material if the entity or business acquired or disposed of represents ten (10) per cent. of the consolidated assets or net sales of the Issuer and its subsidiaries, taken as a whole.

8.2 Information from the Agent

- 8.2.1 Subject to the restrictions of a non-disclosure agreement entered into by the Agent with the Issuer, the Agent is entitled to disclose to the Noteholders any event or circumstance directly or indirectly relating to the Issuer or the Notes. Notwithstanding the foregoing, the Agent shall notify the Noteholders of the occurrence of an Event of Default in accordance with Clause 10.3.

8.3 Publication of Finance Documents

- 8.3.1 The latest version of these Terms and Conditions (including any document amending these Terms and Conditions) shall be available on the websites of the Issuer and the Agent.
- 8.3.2 The latest versions of the Finance Documents shall be available to the Noteholders at the office of the Agent during normal business hours.

9. UNDERTAKINGS

9.1 Financial Indebtedness

9.1.1 Except as provided under Clause 9.1.2, the Issuer shall not (and shall procure that no other Material Group Company will) incur any Financial Indebtedness.

9.1.2 Notwithstanding Clause 9.1.1, the Issuer and any other Group Company may incur Financial Indebtedness:

- (a) arising under the Finance Documents;
- (b) arising under a revolving credit facility with Nordea Bank Finland Plc in a maximum aggregate principal amount at any time outstanding not exceeding EUR 1,500,000, granted for general corporate and working capital purposes (but not towards facilitating of payment of dividends or other distributions to the shareholders of the Issuer, etc.);
- (c) arising under any Permitted Guarantees;
- (d) in respect of which a Material Group Company is the creditor;
- (e) arising under non-speculative hedging transactions entered into in the ordinary course of business in connection with protection against interest rate or currency fluctuations;
- (f) pertaining to any acquired asset, business or entity and existing on the date of its acquisition, but not created in the contemplation of its acquisition, provided that any such Financial Indebtedness has been discharged not later than on the closing date of the acquisition of the asset, business or entity;
- (g) arising in the ordinary course of business with suppliers of goods; and
- (h) arising under loans granted by Tekes (Finnish Funding Agency for Technology and Innovation) in an aggregate amount of EUR 350,000.

9.2 Negative pledge

9.2.1 Except as provided under Clause 9.2.2, the Issuer shall not (and shall procure that no other Material Group Company will):

- (a) create or allow to subsist any Security over any of its assets;
- (b) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or reacquired by any Group Company;
- (c) sell, transfer or otherwise dispose of any of its receivables on recourse terms;
- (d) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set off or made subject to a combination of accounts; or
- (e) enter into any other preferential arrangement having a similar effect,

in respect of items (b) to (e), in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

9.2.2 Clause 9.2.1 does not apply to:

- (a) any netting or set-off arrangement entered into by a Group Company in the ordinary course of its banking arrangement for the purpose of netting debit and credit balances;
- (b) any payment or close out netting or set-off arrangement arising under non-speculative hedging transactions entered into in the ordinary course of business which is permitted under Clause 1.2(e);
- (c) any lien or other security interest arising by operation of law and in the ordinary course of business and not as a result of any default or omission by any Group Company;
- (d) any Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a Group Company in the ordinary course of business and on the supplier's standard or usual terms and not arising as a result of any default or omission by any Group Company; and
- (e) any Security over or affecting any asset or business of any company which becomes a Group Company, or pertaining to any asset or business acquired by a Group Company, after the Issue Date, where the Security is created prior to the date on which that company becomes a Group Company, or that asset or business is acquired by a Group Company, if: (i) the Security was not created in contemplation of the acquisition of that company, asset or business; (ii) the principal amount secured has not increased in contemplation of or since the acquisition of that company, asset or business; and (iii) the Security is removed or discharged not later than simultaneously with that company becoming a Group Company or that asset or business being acquired by a Group Company.

9.3 Financial undertakings

The Issuer shall ensure that the ratio of Total Net Debt on the last day of any Measurement Period to EBITDA in respect of that Measurement Period shall not exceed 5.00:1. The ratio of Total Net Debt to EBITDA shall be calculated based on the latest available financial statements delivered in accordance with Clause 8.1.

9.4 Pari passu ranking

The Issuer shall ensure that its payment obligations under the Finance Documents rank at least *pari passu* with all its other present and future unsecured payment obligations (including payment obligations under the credit facility referred to in paragraph 9.1.2(b) (*Financial Indebtedness*)), except for obligations mandatorily preferred by law applying to companies generally.

9.5 Admission to trading

9.5.1 The Issuer shall use its best efforts to ensure that the loan constituted by these Terms and Conditions and evidenced by the Notes is admitted to trading on the Relevant Market within three (3) months after issuance/at the Issue Date, and that it remains admitted or, if such admission to trading is not possible to obtain or maintain, admitted to trading or traded on another regulated market or multilateral trading facility (each as defined in Directive 2004/39/EC on markets in financial instruments).

- 9.5.2 Following an admission to trading, the Issuer shall take all actions on its part to maintain the admission for as long as any Notes are outstanding, but not longer than up to and including the last day on which the admission to trading reasonably can, pursuant to the then applicable regulations of the Relevant Market and the CSD, subsist.

9.6 Undertakings relating to the Agency Agreement

- 9.6.1 The Issuer shall, in accordance with the Agency Agreement:

- (a) pay fees to the Agent;
- (b) indemnify the Agent for costs, losses and liabilities;
- (c) furnish to the Agent all information requested by or otherwise required to be delivered to the Agent; and
- (d) not act in a way which would give the Agent a legal or contractual right to terminate the Agency Agreement.

- 9.6.2 The Issuer and the Agent shall not amend any provisions of the Agency Agreement without the prior consent of the Noteholders if the amendment would be detrimental to the interests of the Noteholders.

10. ACCELERATION OF THE NOTES

- 10.1 The Agent is entitled to, and shall following a demand in writing from a Noteholder (or Noteholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount (such demand may only be validly made by a Person who is a Noteholder at the end of the Business Day on which the demand is received by the Agent and shall, if made by several Noteholders, be made by them jointly) or following an instruction given pursuant to Clause 10.4, on behalf of the Noteholders (i) by notice to the Issuer, declare all, but not only some, of the outstanding Notes due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines, and/or (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents, if:

- (a) the Issuer does not pay on the due date any amount payable by it under the Finance Documents, unless the non-payment:
 - (i) is caused by technical or administrative error; and
 - (ii) is remedied within five (5) Business Days from the due date;
- (b) the Issuer does not comply with any terms or conditions of the Finance Documents to which it is a party (other than those terms referred to in paragraph (a) above), unless the non-compliance:
 - (i) is capable of remedy; and
 - (ii) is remedied within twenty (20) Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance;
- (c) any Finance Document becomes invalid, ineffective or varied (other than in accordance with the provisions of the Finance Documents), and such invalidity, ineffectiveness or variation has a detrimental effect on the interests of the Noteholders;

- (d) any Material Group Company is, or is deemed for the purposes of any applicable law to be, Insolvent;
- (e) any attachment, sequestration, distress or execution, or any analogous process in any jurisdiction, affects any material asset of a Material Group Company and is not discharged within twenty (20) Business Days;
- (f) (i) any Financial Indebtedness of a Material Group Company is not paid when due nor within any originally applicable grace period, or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described), (ii) any commitment for any Financial Indebtedness of a Material Group Company is cancelled or suspended by a creditor as a result of an event of default (however described), or (iii) any creditor of a Material Group Company becomes entitled to declare any Financial Indebtedness of a Material Group Company due and payable prior to its specified maturity as a result of an event of default (however described), provided that no Event of Default will occur under this paragraph 0 if (i) any relevant payment to be made is contested in good faith and as long as it has not resulted in a payment obligation of the relevant member of the Group (confirmed by a court, arbitral tribunal or a government authority, subject to Clause 10.5) or (ii) the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness referred to herein is less than EUR 500,000;
- (g) The Issuer ceases to carry on its current business in its entirety; or
- (h) An application is filed, or an order is made by any competent court, or any resolution is passed by the Issuer or any Material Group Company, in each case, for winding-up (Fin: *selvitystila*), company reorganization (Fin: *yritys saneeraus*) or bankruptcy (Fin: *konkurssi*) any analogous proceedings in any jurisdiction of the Issuer or any Material Group Company, save for proceedings or actions (i) which are frivolous (Fin: *perusteeton*) or vexatious (Fin: *oikeuden väärinkäyttö*), (ii) that are contested in good faith and discharged, stayed or dismissed within forty-five (45) days or (ii) in the case of a Material Group Company other than the Issuer, taken on a voluntary solvent basis.

10.2 The Agent may not accelerate the Notes in accordance with Clause 10.1 by reference to a specific Event of Default if it is no longer continuing.

10.3 The Agent shall notify the Noteholders of an Event of Default within five (5) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing, except if the Event of Default does not relate to a payment failure in respect of the Notes and the Agent considers that withholding the notice is not detrimental to the interests of the Noteholders. The Agent shall, within twenty (20) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing (and if the Event of Default does not relate to a payment failure in respect of the Notes, within sixty (60) Business Days, decide if the Notes shall be so accelerated. If the Agent decides not to accelerate the Notes, the Agent shall promptly seek instructions from the Noteholders in accordance with Clause 13 (*Decisions by Noteholders*). The Agent shall always be entitled to take the time necessary to consider carefully whether an occurred event or circumstance constitutes an Event of Default.

10.4 If the Noteholders instruct the Agent to accelerate the Notes, the Agent shall promptly declare the Notes due and payable and take such actions as may, in the opinion of the Agent, be necessary or desirable to enforce the rights of the Noteholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.

- 10.5 If the right to accelerate the Notes is based upon a decision of a court of law, an arbitral tribunal or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- 10.6 In the event of an acceleration of the Notes in accordance with this Clause 10, the Issuer shall redeem all Notes at an amount per Note equal to 100 per cent. of the Nominal Amount together with accrued but unpaid Interest.

11. DISTRIBUTION OF PROCEEDS

- 11.1 All payments by the Issuer relating to the Notes and the Finance Documents following an acceleration of the Notes in accordance with Clause 10 (*Acceleration of the Notes*) shall be distributed in the following order of priority, in accordance with the instructions of the Agent:
- (a) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement (other than any indemnity given for liability against the Noteholders) and/or the Issuing Agent in accordance with the Issuing Agency Agreement, (ii) other costs, expenses and indemnities relating to the acceleration of the Notes, or the protection of the Noteholders' rights in each case as may have been incurred by the Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 17.2.7, and (iv) any costs and expenses incurred by the Agent in relation to a Noteholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 13.12;
 - (b) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Notes (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date) and default interest payable pursuant to Clause 6.4;
 - (c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Notes; and
 - (d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents.

Any excess funds after the application of proceeds in accordance with paragraphs (a) to (d) above shall be paid to the Issuer.

- 11.2 If a Noteholder or another party has with the consent of the Agent paid any fees, costs, expenses or indemnities referred to in Clause 11.1(a), such Noteholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 11.1(a).
- 11.3 Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Notes constitute escrow funds and must be held on a separate interest-bearing account on behalf of the Noteholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 11 as soon as reasonably practicable.
- 11.4 If the Issuer or the Agent shall make any payment under this Clause 11, the Issuer or the Agent, as applicable, shall notify the Noteholders of any such payment at least fifteen (15) Business Days before the payment is made. Such notice shall specify the Record Time, the payment date and the amount to be paid. Notwithstanding the foregoing, for any Interest due but unpaid the Record Time specified in Clause 5.1 shall apply and for any partial redemption in accordance with Clause 7.3 (*Voluntary/Mandatory partial redemption (call and put option)*) due but not made, the Record Time specified in Clause 7.3.2 shall apply.

12. RIGHT TO ACT ON BEHALF OF A NOTEHOLDER

- 12.1 If any Person other than a Noteholder wishes to exercise any rights specifically allocated to Noteholders under the Finance Documents, it must obtain a power of attorney from the Noteholder or a successive, coherent chain of powers of attorney starting with the Noteholder and authorising such Person or provide other evidence of ownership or authorisation satisfactory to the Agent.
- 12.2 A Noteholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Notes held by it. Any such representative may act independently under the Finance Documents in relation to the Notes for which such representative is entitled to represent the Noteholder and may further delegate its right to represent the Noteholder by way of a further power of attorney.
- 12.3 The Agent shall only have to examine the face of a power of attorney or other evidence of authorisation that has been provided to it pursuant to Clause 12.1 and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face or is otherwise notified to the Agent.

13. DECISIONS BY NOTEHOLDERS

- 13.1 A request by the Agent for a decision by the Noteholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Noteholders' Meeting or by way of a Written Procedure.
- 13.2 Any request from the Issuer or a Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a Person who is a Noteholder on the Business Day immediately preceding the day on which the request is received by the Agent and shall, if made by several Noteholders, be made by them jointly) for a decision by the Noteholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Noteholders' Meeting or by way of a Written Procedure, as determined by the Agent. The Person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Noteholders' Meeting or by way of a Written Procedure, the Agent shall have the right to decide where such matter shall be dealt with.
- 13.3 The Agent may refrain from convening a Noteholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any Person in addition to the Noteholders and such Person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- 13.4 Only a Person who is, or who, directly or indirectly, has been provided with a power of attorney pursuant to Clause 12 (*Right to act on behalf of a Noteholder*) from a Person who is registered as a Noteholder:
- (a) at the Record Time on the CSD Business Day specified in the communication pursuant to Clause 14.3, in respect of a Noteholders' Meeting, or
 - (b) at the Record Time on the CSD Business Day specified in the communication pursuant to Clause 15.3, in respect of a Written Procedure,
- may exercise voting rights as a Noteholder at such Noteholders' Meeting or in such Written Procedure in respect of Notes held by such Person at the relevant Record Time, provided that the relevant Notes are included in the Adjusted Nominal Amount.

- 13.5 The following matters shall require the consent of Noteholders representing at least 75 per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 15.3:
- (a) a change to the terms of any of Clause 2.1, and Clauses 2.5 and 2.6;
 - (b) a reduction of the premium payable upon the redemption or repurchase of any Note pursuant to Clause 7 (*Redemption and repurchase of the Notes*);
 - (c) a change to the Interest Rate or the Nominal Amount;
 - (d) a change to the terms for the distribution of proceeds set out in Clause 11 (*Distribution of proceeds*);
 - (e) a change to the terms dealing with the requirements for Noteholders' consent set out in this Clause 13;
 - (f) a change of issuer, an extension of the tenor of the Notes or any delay of the due date for payment of any principal or interest on the Notes;
 - (g) a mandatory exchange of the Notes for other securities; and
 - (h) early redemption of the Notes, other than upon an acceleration of the Notes pursuant to Clause 10 (*Acceleration of the Notes*) or as otherwise permitted or required by these Terms and Conditions.
- 13.6 Any matter not covered by Clause 13.5 shall require the consent of Noteholders representing more than 50 per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 15.3. This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 16.1(a) or (b)) or an acceleration of the Notes.
- 13.7 Quorum at a Noteholders' Meeting or in respect of a Written Procedure only exists if a Noteholder (or Noteholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 13.5, and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:
- (a) if at a Noteholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
 - (b) if in respect of a Written Procedure, reply to the request.
- 13.8 If a quorum does not exist at a Noteholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Noteholders' Meeting (in accordance with Clause 14.1) or initiate a second Written Procedure (in accordance with Clause 15.1), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Noteholders' consent. The quorum requirement in Clause 13.7 shall not apply to such second Noteholders' Meeting or Written Procedure.
- 13.9 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as applicable.

- 13.10 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Noteholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Noteholders that consent at the relevant Noteholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 13.11 A matter decided at a duly convened and held Noteholders' Meeting or by way of a Written Procedure is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding in the Written Procedure.
- 13.12 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Noteholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 13.13 If a decision is to be taken by the Noteholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Notes owned by Group Companies, irrespective of whether such Person is directly registered as owner of such Notes. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible for determining whether a Note is owned by a Group Company.
- 13.14 Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Noteholders and published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Noteholders' Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer or the Agent, as applicable.

14. NOTEHOLDERS' MEETING

- 14.1 The Agent shall convene a Noteholders' Meeting by sending a notice thereof to the CSD and each Noteholder no later than five (5) Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons).
- 14.2 Should the Issuer want to replace the Agent, it may convene a Noteholders' Meeting in accordance with Clause 14.1 with a copy to the Agent. After a request from the Noteholders pursuant to Clause 17.4.4, the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Noteholders' Meeting in accordance with Clause 14.1.
- 14.3 The notice pursuant to Clause 14.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Noteholders), (iv) a specification of the CSD Business Day at the end of which a Person must be registered as a Noteholder in order to be entitled to exercise voting rights at the meeting and (v) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Noteholders' Meeting. Should prior notification by the Noteholders be required in order to attend the Noteholders' Meeting, such requirement shall be included in the notice.
- 14.4 The Noteholders' Meeting shall be held no earlier than ten (10) Business Days and no later than thirty (30) Business Days from the date of the notice.
- 14.5 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Noteholders' Meeting as the Agent may deem appropriate.

15. WRITTEN PROCEDURE

- 15.1 The Agent shall instigate a Written Procedure no later than five (5) Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to the CSD and each Person who is registered as a Noteholder at the Record Time prior to the date on which the communication is sent.
- 15.2 Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 15.1 to each Noteholder with a copy to the Agent.
- 15.3 A communication pursuant to Clause 15.1 shall include (i) each request for a decision by the Noteholders, (ii) a description of the reasons for each request, (iii) a specification of the CSD Business Day at the end of which a Person must be registered as a Noteholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Noteholder must reply to the request (such time period to last at least fifteen (15) Business Days from the communication pursuant to Clause 15.1). If the voting is to be made electronically, instructions for such voting shall be included in the communication.
- 15.4 When a consent from the Noteholders representing the requisite majority of the total Adjusted Nominal Amount pursuant to Clauses 13.5 or 13.6 has been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 13.5 or 13.6, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

16. AMENDMENTS AND WAIVERS

- 16.1 The Issuer and the Agent (acting on behalf of the Noteholders) may agree to amend the Finance Documents or waive a past default or anticipated failure to comply with any provision in a Finance Document, provided that:
- (a) such amendment or waiver is not detrimental to the interest of the Noteholders in any material respect, or is made solely for the purpose of rectifying obvious errors and mistakes;
 - (b) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
 - (c) such amendment or waiver has been duly approved by the Noteholders in accordance with Clause 13 (*Decisions by Noteholders*).
- 16.2 The consent of the Noteholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment.
- 16.3 The Agent shall promptly notify the Noteholders of any amendments or waivers made in accordance with Clause 16.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 8.3 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to these Terms and Conditions are duly registered with the CSD and each other relevant organisation or authority.
- 16.4 An amendment to the Finance Documents shall take effect on the date determined by the Noteholders Meeting, in the Written Procedure or by the Agent, as the case may be.

17. APPOINTMENT AND REPLACEMENT OF THE AGENT

17.1 Appointment of Agent

- 17.1.1 By subscribing for Notes, each initial Noteholder, and, by acquiring Notes, each subsequent Noteholder:
- (a) agrees to and accepts the appointment of the Agent to act as its agent and representative in all matters relating to the Notes and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Notes held by such Noteholder and to exercise such rights, powers, authorities and discretions as are specifically delegated to the Agent by these Terms and Conditions together with all such rights, powers, authorities and discretions as are incidental thereto; and
 - (b) agrees to and accepts that, upon the Agent delivering an acceleration notice in accordance with Clause 10.1, it will be considered to have irrevocably transferred to the Agent all its procedural rights and legal authority to claim and collect any and all receivables under the Notes and to receive any funds in respect of the Notes or under the Security Documents (Fin: *prokurasiirto*) as a result of which transfer, the Agent shall be irrevocably entitled to take all such action in its own name but on behalf of and for the benefit of each Noteholder (at the expense of the Noteholders).
- 17.1.2 Each Noteholder shall immediately upon request provide the Agent with any such documents (in form and substance satisfactory to the Agent) that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Noteholder which does not comply with such request if due to such failure the Agent is unable to represent such Noteholder.
- 17.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- 17.1.4 The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- 17.1.5 The Agent may act as agent or other representative for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

17.2 Duties of the Agent

- 17.2.1 The Agent shall represent the Noteholders in accordance with the Finance Documents. However, the Agent is not responsible for the execution or enforceability of the Finance Documents.
- 17.2.2 When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Noteholders. The Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- 17.2.3 The Agent shall monitor the compliance by the Issuer with its obligations under the Finance Documents on the basis of information made available to it pursuant to the Finance Documents or received from a Noteholder. The Agent is not obligated to assess the Issuer's financial situation other than as expressly set out in these Terms and Conditions.

- 17.2.4 The Agent is entitled to take any step it in its sole discretion considers necessary or advisable to protect the rights of the Noteholders pursuant to these Terms and Conditions.
- 17.2.5 The Agent is entitled to delegate its duties to other professional parties, but the Agent shall remain liable for the actions of such parties under the Finance Documents.
- 17.2.6 The Agent shall treat all Noteholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Noteholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other Person, other than as explicitly stated in the Finance Documents.
- 17.2.7 The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs reasonably incurred for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event or circumstance which the Agent reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Noteholders under the Finance Documents. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 11 (*Distribution of proceeds*).
- 17.2.8 Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- 17.2.9 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Noteholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- 17.2.10 The Agent shall give a notice to the Noteholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 17.2.9.

17.3 Limited liability for the Agent

- 17.3.1 The Agent will not be liable to the Noteholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- 17.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Noteholders to delay the action in order to first obtain instructions from the Noteholders.
- 17.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Noteholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.

17.3.4 The Agent shall have no liability to the Noteholders for damage caused by the Agent acting in accordance with instructions of the Noteholders given in accordance with Clause 13 (*Decisions by Noteholders*) or a demand by Noteholders given pursuant to Clause 10.1.

17.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Noteholders under the Finance Documents.

17.4 Replacement of the Agent

17.4.1 Subject to Clause 17.4.7, the Agent may resign by giving notice to the Issuer and the Noteholders, in which case the Noteholders shall in consultation with the Issuer appoint a successor Agent at a Noteholders' Meeting convened by the retiring Agent or by way of a Written Procedure initiated by the retiring Agent.

17.4.2 Subject to Clause 17.4.7, if the Agent is Insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent.

17.4.3 Any successor Agent appointed pursuant to this Clause 17.4 must be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.

17.4.4 A Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a Person who is a Noteholder at the end of the Business Day on which the notice is received by the Issuer and shall, if given by several Noteholders, be given by them jointly), require that a Noteholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Noteholders' Meeting convened by it or by way of a Written Procedure initiated by it, propose to the Noteholders that the Agent be dismissed and a new Agent appointed.

17.4.5 If the Noteholders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Noteholders, the Issuer shall appoint a successor Agent.

17.4.6 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.

17.4.7 The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.

17.4.8 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall, in respect of any action which it took or failed to take whilst acting as Agent, (a) remain entitled to the benefit of the Finance Documents and (b) remain liable under the Finance Documents. Its successor, the Issuer and each of the Noteholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.

17.4.9 In the event that there is a change of the Agent in accordance with this Clause 17.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents and the Agency Agreement. Unless the Issuer and the new Agent agree otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

18. NO DIRECT ACTIONS BY NOTEHOLDERS

- 18.1 A Noteholder may not take any steps whatsoever against the Issuer to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (Fin: *yrityssaneeraus*) or bankruptcy (Fin: *konkurssi*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the obligations of the Issuer under the Finance Documents.
- 18.2 Clause 18.1 shall not apply if:
- (a) the Agent has been instructed by the Noteholders in accordance with the Finance Documents to take any of the actions referred to in Clause 18.1 but fails for any reason to take, or is unable to take (for any reason other than a failure by a Noteholder to provide documents in accordance with Clause 17.1.2), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take such actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or by any reason described in Clause 17.2.9, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 17.2.10 before a Noteholder may take any action referred to in Clause 18.1; and
 - (b) the Noteholders have resolved pursuant to these Terms and Conditions that, upon the occurrence of a failure by the Agent referred to in (a) above, a Noteholder shall have the right to take any action referred to in Clause 18.1.
- 18.3 The provisions of Clause 18.1 shall not in any way limit an individual Noteholder's right to claim and enforce payments which are due to it under Clause 7.3.1(b) (*Voluntary/Mandatory partial redemption (call and put option)*) or Clause 7.5 (*Mandatory repurchase due to a Change of Control Event (put option)*) or other payments which are due by the Issuer to some but not all Noteholders.

19. PRESCRIPTION

- 19.1 The right to receive payment of the principal of or interest on the Notes shall be prescribed and become void three (3) years from the date on which such payment became due.
- 19.2 If a limitation period is duly interrupted in accordance with the Finnish Act on Limitations (Fin: *Laki velan vanhentumisesta* 728/2003, as amended), a new limitation period of at least three (3) years will commence.

20. NOTICES

- 20.1 Any notice or other communication to be made under or in connection with the Finance Documents:
- (a) if to the Agent, shall be given at the address registered with the Finnish Trade Register on the Business Day prior to dispatch;
 - (b) if to the Issuing Agent, shall be given at the address specified on its website www.evli.com on the Business Day prior to dispatch and designated "To the attention of Evli Bank Plc/Operations";
 - (c) if to the Issuer, shall be given at the address specified on its website www.m-brain.com on the Business Day prior to dispatch and designated "To the attention of Jere Peiponen/Kim Nyberg"; and

- (d) if to the Noteholders, shall be given at their addresses as registered with the CSD, at the Record Time prior to dispatch, and by either courier delivery or letter for all Noteholders. A Notice to the Noteholders shall also be published on the websites of the Issuer and the Agent.

20.2 Any notice or other communication made by one Person to another under or in connection with the Finance Documents shall be in English and sent by way of courier, fax, e-mail, personal delivery or letter and will become effective, in the case of courier or personal delivery, when it has been left at the address specified in Clause 20.1 or, in the case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 20.1 or, in the case of fax or e-mail, when actually received in a readable form.

20.3 Failure to send a notice or other communication to a Noteholder or any defect in it shall not affect its sufficiency with respect to other Noteholders.

21. FORCE MAJEURE AND LIMITATION OF LIABILITY

21.1 Neither the Issuer, the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade or any other similar circumstance (a “**Force Majeure Event**”). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.

21.2 The Issuing Agent shall have no liability to the Noteholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.

21.3 Should a Force Majeure Event arise which prevents the Issuer, the Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.

21.4 The provisions in this Clause 21 apply unless they are inconsistent with the provisions of the Book-Entry System Act which provisions shall take precedence.

22. GOVERNING LAW AND JURISDICTION

22.1 These Terms and Conditions, 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.

22.2 The Issuer submits to the non-exclusive jurisdiction of the Finnish courts with the District Court of Helsinki (Fin: *Helsingin käräjäoikeus*) as the court of first instance.

APPENDIX 1 TO TERMS AND CONDITIONS (*Form of Compliance Certificate*)

COMPLIANCE CERTIFICATE

To: CORPNORDIC FINLAND OY as Agent

From: M-BRAIN OY as Issuer

Place and date: In [●], on the [●] day of [●] 20[●]

Dear Madams/Sirs,

We refer to the senior, unsecured and unsubordinated fixed rate notes issued by us on 17 June 2014 with an aggregate nominal amount of EUR 15,000,000 (the “Notes”).

1. We refer to the Terms and Conditions of the Notes. This is a compliance certificate. Terms defined in the Terms and Conditions of the Notes have the same meaning when used in this compliance certificate unless given a different meaning in this compliance certificate.
2. We confirm that the following companies are Material Group Companies: [●].
3. We confirm that in respect of the Measurement Period ending on [*relevant testing date*], the ratio of Total Net Debt to EBITDA is [●]:1.
4. [We confirm that no Event of Default is continuing.]*
5. [The aggregate amount drawn under the revolving credit facility referred to in Clause 9.1.2(b) of the Terms and Conditions of the Notes is EUR [●] and thereby exceeds 50% of the total amount of that revolving credit facility.]
6. This compliance certificate is governed by Finnish law.

In [●], on the [●] day of [●] 20[●]

M-BRAIN OY
as Issuer

Name:

* If this statement cannot be made, the certificate shall identify any Event of Default that is continuing and the steps, if any, being taken to remedy it.

THE ISSUER

M-Brain Oy
Kumpulantie 3
FI-00520 Helsinki
Finland

LEAD MANAGER

Evli Bank Plc, Corporate Finance
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Finland

LEGAL ADVISER

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