

OFFERING CIRCULAR



Duell Corporation Rights Offering of a Maximum of 1,008,000,642 Offer Shares Subscription Price EUR 0.02 per Offer Share

Duell Corporation (“**Duell**” or the “**Company**”), a public limited liability company incorporated in Finland, offers for subscription in a rights issue pursuant to the shareholders’ pre-emptive subscription right a maximum of 1,008,000,642 shares in the Company (the “**Offer Shares**”) at a subscription price of EUR 0.02 per Offer Share (the “**Subscription Price**”), as described in more detail in this offering circular (the “**Offering Circular**”) (the “**Offering**”).

The record date of the Offering is December 4, 2023 (the “**Record Date**”). Shareholders who are registered in Duell’s shareholders’ register maintained by Euroclear Finland Oy (“**Euroclear Finland**”) on the Record Date will receive one (1) subscription right in the form of a book-entry (the “**Subscription Right**”) for each existing share of the Company (the “**Existing Shares**”) owned on the Record Date. In accordance with the normal clearing period for trading on the Nasdaq First North Growth Market Finland maintained by Nasdaq Helsinki Ltd (“**Nasdaq Helsinki**”) (the “**First North Growth Market**”), trades in the Existing Shares made no later than on November 30, 2023, will affect the shareholders’ register as at the Record Date. Each one (1) Subscription Right entitles its holder to subscribe for thirty-three (33) Offer Shares at the Subscription Price (the “**Primary Subscription Right**”). No fractions of Offer Shares will be allotted and a Subscription Right cannot be exercised partially. The Subscription Rights will be registered on shareholders’ book-entry accounts in the book-entry system maintained by Euroclear Finland on December 5, 2023.

The subscription period for the Offer Shares will commence on December 7, 2023, at 9:30 a.m. (Finnish time) and end on December 21, 2023, at 4:30 p.m. (Finnish time) (the “**Subscription Period**”). The Subscription Rights are freely transferable, and they are subject to trading on the First North Growth Market (trading code “DUELLU0123”) between December 7, 2023, and December 15, 2023. Subscription Rights that remain unexercised at the end of the Subscription Period on December 21, 2023, at 4:30 p.m. (Finnish time) will expire without value. See “*Certain Important Dates Relating to the Offering.*”

Both holders of Subscription Rights and investors who do not hold Subscription Rights may submit orders to subscribe for any Offer Shares that have not been subscribed for pursuant to the Primary Subscription Right (the “**Secondary Subscription Right**”). Offer Shares remaining unsubscribed under the Primary Subscription Right and the Secondary Subscription Right may be directed for subscription as resolved by the Company’s Board of Directors, see “*Terms and Conditions of the Offering.*”

HC DL Holding Ltd (wholly-owned subsidiary of Hartwall Capital Ltd) (“**Hartwall Capital**”), Sponsor Fund IV Ky (a fund managed by Sponsor Capital Oy) (“**Sponsor Capital**”) and the other shareholders listed in Annex A to this Offering Circular, representing in aggregate approximately 37.5 percent of the Existing Shares, have each separately and irrevocably committed to subscribe for the *pro rata* amount of the Offer Shares based on the Subscription Rights allocated in the Offering and to pay the Subscription Price for such Offer Shares (either by itself and/or on behalf of its controlled entity) under certain customary conditions (each separately a “**Subscription Commitment**” and together, the “**Subscription Commitments**”), as described in more detail in “*Plan of Distribution—Participation of Certain Shareholders in the Offering.*” In addition, Hartwall Capital (the “**Subscription Guarantor**”) has entered into an advance guarantee undertaking with Duell pursuant to which it has committed, subject to certain terms and conditions, to subscribe for the Offer Shares that may remain unsubscribed for in the Offering, up to a maximum of EUR 13.6 million, in addition to the Offer Shares that are covered by its Subscription Commitment (the “**Subscription Guarantee Undertaking**”) as described in more detail in “*Plan of Distribution—Subscription Guarantee Undertaking.*”

The Company’s shares (the “**Shares**”) are subject to public trading on the First North Growth Market under trading code “DUELL” (ISIN code: FI4000513072). Trading in interim shares corresponding to the Offer Shares that have been subscribed for based on the Subscription Rights (the “**Interim Shares**”) is expected to commence as a separate share class on the First North Growth Market (trading code “DUELLN0123”) on December 8, 2023. The Interim Shares will be combined with the Existing Shares once the Offer Shares have been registered with the trade register maintained by the Finnish Patent and Registration Office (the “**Trade Register**”). The Offer Shares subscribed for pursuant to the Primary Subscription Right and the Secondary Subscription Right are expected to be registered in the Trade Register on or about January 2, 2024. Trading in the Offer Shares on the First North Growth Market together with the Existing Shares is expected to commence on or about January 3, 2024.

The First North Growth Market is a registered small and medium-sized enterprise (“SME”) growth market, in accordance with the Directive on Markets in Financial Instruments (EU 2014/65) (the “Directive on Markets in Financial Instruments”) as implemented in the national legislation of Denmark, Finland and Sweden, operated by an exchange within the Nasdaq group. Issuers on the First North Growth Market are not subject to all the same rules as issuers on a regulated main market, as defined in European Union (the “EU”) legislation (as implemented in national law). Instead they are subject to a less extensive set of rules and regulations adjusted to small growth companies. The risk in investing in an issuer on the First North Growth Market may therefore be higher than investing in an issuer on the main market. All issuers with shares admitted to trading on the First North Growth Market have a Certified Adviser who monitors that the rules are followed.

The Offering consists of (i) a public offering in Finland and (ii) a private placement in other jurisdictions outside the United States as described in “*Selling and Transfer Restrictions,*” in each case, in reliance on Regulation S under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”) (“**Regulation S**”), and in accordance with applicable securities laws. The Subscription Rights and the Offer Shares have not and will not be registered under the U.S. Securities Act or under any state securities laws of the United States, and may not be offered or sold in or into the United States, directly or indirectly.

The Offering Circular may not be published or distributed in or into the United States, Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa or any other jurisdiction in which it would not be permissible to deliver the Subscription Rights or make an offering of the Offer Shares. The Subscription Rights or the Offer Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into any such countries.

An investment in the Subscription Rights and/or the Offer Shares involves risks. Prospective investors should read this entire Offering Circular and, in particular, “Risk Factors,” when considering an investment in the Subscription Rights and/or the Offer Shares.

Sole Global Coordinator



The date of this Offering Circular is December 5, 2023.

IMPORTANT INFORMATION

In this Offering Circular, any reference to the “**Company**” means Duell Corporation and “**Duell**” and “**Group**” mean Duell Corporation and its subsidiaries on a consolidated basis, except where it is clear from the context that the term means Duell Corporation or a particular subsidiary or business unit only. References relating to the shares of the Company (“**Shares**”) and share capital of the Company or matters of corporate governance refer to the shares, share capital and corporate governance of Duell Corporation.

In connection with the Offering, the Company has prepared and published this Offering Circular. This Offering Circular has been prepared in accordance with the Finnish Securities Markets Act (746/2012, as amended, the “**Finnish Securities Markets Act**”), Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017 (as amended, the “**Prospectus Regulation**”), Commission Delegated Regulation (EU) 2019/979 of March 14, 2019, supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council with regard to regulatory technical standards on key financial information in the summary of a prospectus, the publication and classification of prospectuses, advertisements for securities, supplements to a prospectus, and the notification portal, and repealing Commission Delegated Regulation (EU) No 382/2014 and Commission Delegated Regulation (EU) 2016/301, as amended, Commission Delegated Regulation (EU) 2019/980 of March 14, 2019 (Annexes 3 and 12), supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004, as amended, and the regulations and guidelines issued by the Finnish Financial Supervisory Authority (the “**FIN-FSA**”).

This Offering Circular has been drawn up as a simplified prospectus in accordance with Article 14 of the Prospectus Regulation. This Offering Circular also contains a summary in the format required by Article 7 of the Prospectus Regulation. This Offering Circular is an English language translation of the Finnish language summary and prospectus (the “**Finnish Prospectus**”), and they contain the same information, with the exception of certain information directed at investors outside of Finland. The FIN-FSA has approved the Finnish Prospectus as the competent authority under the Prospectus Regulation. The FIN-FSA only approves the Finnish Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the FIN-FSA of the Finnish Prospectus should not be considered as an endorsement of the issuer that is the subject of the Finnish Prospectus. Investors should make their own assessment as to the suitability of investing in the securities. The journal number of the FIN-FSA’s approval of the Finnish Prospectus is FIVA/2023/2113. The English language Offering Circular has not been approved by the FIN-FSA. In the event of any discrepancies between the Finnish Prospectus and this English language Offering Circular, the Finnish Prospectus shall prevail.

The Company has appointed Carnegie Investment Bank AB, Finland Branch (“**Carnegie**”) to act as the sole global coordinator for the Offering (the “**Global Coordinator**”). Prospective investors should not rely on the Global Coordinator or any of its affiliated parties in connection with any investigation in respect of the accuracy of any information contained in this Offering Circular or in connection with their investment decision. Shareholders and prospective investors should rely solely on the information contained in this Offering Circular. Neither the Company nor the Global Coordinator have authorized anyone to provide any information or give any statements other than those provided in this Offering Circular. Delivery of this Offering Circular shall not, under any circumstances, indicate that the information presented in this Offering Circular is correct on any day other than the date of this Offering Circular (excluding historical financial information and the description of Duell’s history), or that there would not be any changes in the business of Duell after the date of this Offering Circular. However, if a significant new factor, material mistake or material inaccuracy, which may affect the assessment of the Offer Shares, arises or is noted in relation to the information in this Offering Circular after the FIN-FSA has approved the Finnish Prospectus but prior to the end of the Subscription Period or the delivery on the book-entry account of the subscriber of the Offer Shares or the Interim Shares that are subject to the withdrawal (whichever occurs earlier), the Finnish Prospectus will be supplemented in accordance with the Prospectus Regulation. If the Finnish Prospectus is supplemented, the supplement and its English language translation will be published through a company release. Information given in this Offering Circular is not a guarantee or grant for future events by Duell or the Global Coordinator, and shall not be considered as such. Unless otherwise stated, any estimates with respect to market development relating to Duell or its industry are based upon the reasonable estimates of the Company’s management.

The validity of the Finnish Prospectus expires when the public offering of the Offer Shares ends. The obligation to supplement the Finnish Prospectus in accordance with the Prospectus Regulation in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Finnish Prospectus is no longer valid.

In a number of countries, in particular in the United States, the United Kingdom, Australia, Canada or Japan, the distribution of this Offering Circular and the offer of the Offer Shares are subject to restrictions imposed by law (such as registration, admission, qualification and other regulations). The offer to subscribe for or purchase the Offer Shares does not include persons in any jurisdiction where such an offer would be illegal. No action has been or will be taken by the Company or the Global Coordinator to permit the possession or distribution of this Offering Circular (or any other offering or publicity materials or application form(s) relating to the Offering) in any jurisdiction where such distribution may otherwise lead to a breach of any law or regulatory requirement.

Neither the Subscription Rights nor the Offer Shares may be offered or sold, directly or indirectly, and neither this Offering Circular nor any documents relating to the Offer Shares, nor any advertisements may be distributed or published in any jurisdiction in which this would violate any laws or regulations. No action has been or will be taken by the Company or the Global Coordinator to permit the public offering of the Offer Shares outside Finland. The Company and the Global Coordinator urge that any person who receives this Offering Circular into their possession acquire adequate information of these restrictions and comply with them. Further information with regard to restrictions on offers, sales and deliveries of the Offer Shares and the distribution of this Offering Circular and other offering material relating to the Offer Shares is set out in “*Selling and Transfer Restrictions.*”

Neither the Subscription Rights nor the Offer Shares have been, and will not be, registered under the U.S. Securities Act, or under the securities laws of any state of the United States and accordingly, may not be offered or sold, directly or indirectly, in or into the United States (as defined in Regulation S). The Shares are being offered and sold outside the United States in compliance with Regulation S. This Offering Circular may not be published or distributed in or into the United States, Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa or any other jurisdiction in which it would not be permissible to make an offer of the Subscription Rights or the Offer Shares. Neither the Subscription Rights nor the Offer Shares may be offered, sold, resold, transferred or delivered, directly or indirectly, in or into any such countries.

Neither the Company nor the Global Coordinator accept any legal responsibility for persons who have obtained this Offering Circular in violation of these restrictions, irrespective of whether these persons are prospective subscribers or purchasers of the Subscription Rights or the Offer Shares.

The Company reserves the right, at its sole and absolute discretion, to reject any subscription of the Offer Shares that the Company or its representatives believe may give rise to a breach or violation of any law, rule or regulation.

The Global Coordinator is acting exclusively for the Company and no one else in connection with the Offering. They will not regard any other person (whether or not a recipient of this Offering Circular) as their respective client in relation to the Offering. The Global Coordinator will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients nor for giving advice in relation to the Offering or any transaction or arrangement referred to in this Offering Circular.

Investors must not construe the contents of this Offering Circular as legal, investment or tax advice. Each investor should consult such investor’s own counsel, accountant or business advisor as to legal, investment and tax advice and related matters pertaining to the Offering, if they deem it necessary.

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SUMMARY

Introduction

This summary should be read as an introduction to this Offering Circular. Any decision to invest in the Subscription Rights or the Offer Shares should be based on consideration of this Offering Circular as a whole by the investor. An investor could lose all or part of the invested capital. Where a claim relating to the information contained in this Offering Circular is brought before a court, the plaintiff investor might, under the national legislation of the member states, have to bear the costs of translating this Offering Circular before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including the translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of this Offering Circular, or where it does not provide, when read together with the other parts of this Offering Circular, key information in order to aid investors when considering whether to invest in the Subscription Rights or the Offer Shares.

The identity and contact details of the issuer are:

| | |
|--|--|
| Company..... | Duell Corporation |
| Business identity code..... | 2929424-1 |
| Legal entity identifier (“ LEI code ”)..... | 743700MVGCRZQ2CR8244 |
| Domicile | Mustasaari, Finland |
| Registered office..... | Kauppatie 19, FI-65610 Mustasaari, Finland |
| ISIN code of the Shares | FI4000513072 |
| Trading code | DUELL |

The FIN-FSA has, in its capacity as competent authority under the Prospectus Regulation, approved the Finnish Prospectus on December 5, 2023. The journal number of the FIN-FSA’s approval of the Finnish Prospectus is FIVA/2023/2113. The FIN-FSA’s address is P.O. Box 103, FI-00101 Helsinki, Finland, its telephone number is +358 9 183 51 and its email address is kirjaamo@finanssivalvonta.fi.

Key Information on the Issuer

Who is the Issuer of the Securities?

Duell is a Finnish public limited liability company established in Finland and organized under the laws of Finland and domiciled in Mustasaari, Finland. Duell was registered in the trade register maintained by the Finnish Patent and Registration Office (the “**Trade Register**”) on August 3, 2018, its business identity code is 2929424-1 and its LEI code is 743700MVGCRZQ2CR8244.

Principal Activities

Duell is, according to its estimate, one of the leading Powersports Aftermarket (as defined below) distributors in Finland, Sweden, Norway and Denmark (together, the “**Nordics**”) with a growing presence also in the rest of Europe. Duell’s offering covers motorcycle, snowmobile, bicycle and marine products, including technical and spare parts and personal equipment (for example clothing and accessories), and all-terrain vehicle products (“**ATV**”) to dealers across several markets in Europe. Duell offers a broad assortment of products across all of its sales channels for four seasons through its six product categories comprising Onroad/Offroad Motorcycle Gear (“**Onroad/Offroad MC Gear**”), Onroad/Offroad Motorcycle Technical Products (“**Onroad/Offroad MC Technical Products**”), ATV, Snowmobile Gear and Technical Products, Bicycle Products and Marine Products. Onroad/Offroad MC Gear and Onroad/Offroad MC Technical Products are Duell’s largest product categories, which in aggregate accounted the majority of Duell’s net sales the financial year ended August 31, 2023.

Duell’s goal is to distribute the world’s best known, quality powersport brands at competitive prices and in a timely manner. Duell is able to offer its brand portfolio of more than 550 brands consisting of approximately 150,000 stock keeping units (“**SKUs**”) to dealers enabling a one-stop-shop approach and, in turn, provide brand owners a reach of approximately 8,500 dealers as at the date of this Offering Circular. Duell offers a range of powersport technical and spare parts and personal equipment brands, including brands classified by Duell as best brands, such as Airoh, Alpinestars, Cardo, Continental, Dunlop, HJC, Michelin, Oakley, Pirelli, Rukka, Schuberth, Scorpio and Sena. In addition to best brands, Duell offers a wide range of products from approximately 600 suppliers to accommodate demand for more affordable products. Duell also offers products that it procures directly from manufacturers and sells under its own brands to complement its offering.

During the past 40 years, Duell has grown from a garage start-up into one of the leading Powersports Aftermarket distributors in the Nordics and in Estonia, Latvia and Lithuania (together, the “**Baltics**”), with a growing presence also in the rest of Europe with approximately 8,500 active customers (*i.e.*, customers that have made purchases during the past

12 months). Duell has operations in the Nordics, France, the Netherlands, the United Kingdom and Germany supplying products to more than 15 countries. Duell is headquartered in Mustasaari, Finland, where it currently also has a sales office and a warehouse. In addition, Duell has sales offices and warehouses in Tampere, Finland, Tranås, Sweden, Veghel, the Netherlands, Le Cavalier, France, and New Milton, the United Kingdom, as well sales offices in Kongsvinger, Norway, and Fredericia, Denmark. In addition to its organic growth, Duell's current position in the European market for powersports spare parts and personal equipment ("**Powersports Aftermarket**") within the onroad motorcycle, offroad motorcycle, ATV and snowmobile market segments as well as bicycle market segment has strengthened through mergers and acquisitions ("**M&A**"), and, as part of its long-term strategy, Duell aims to actively participate in the consolidation of the fragmented European market.

For the financial year ended August 31, 2023, Duell's net sales were EUR 118,832 thousand, its operating profit was EUR 1,041 thousand and its adjusted EBITA was EUR 4,594 thousand. As at August 31, 2023, Duell had a total of 212 employees.

Major Shareholders

The following table sets forth the ten largest shareholders of the Company as at November 30, 2023, pursuant to the shareholders' register maintained by Euroclear Finland:

| | As at November 30, 2023 | |
|---|--------------------------------|--|
| | Number of shares | Share of shares and votes (percent) |
| Hartwall Capital ⁽¹⁾ | 6,832,558 | 22.4 |
| Sponsor Capital..... | 3,094,614 | 10.1 |
| Varma Mutual Pension Insurance Company..... | 1,403,038 | 4.6 |
| Säästöpankki Fonder..... | 1,331,627 | 4.4 |
| Ilmarinen Mutual Pension Insurance Company..... | 1,168,992 | 3.8 |
| Jarkko Ämmälä..... | 1,100,000 | 3.6 |
| Erikoissijoitusrahasto Aktia Mikro Markka..... | 697,673 | 2.3 |
| Elo Mutual Pension Insurance Company..... | 640,000 | 2.1 |
| Oy 4N-Group Ab..... | 587,863 | 1.9 |
| Evli Finland Select Fund..... | 402,895 | 1.3 |
| Total ten largest shareholders..... | 17,259,260 | 56.5 |
| Nominee-registered shareholders..... | 3,547,249 | 11.6 |
| Other shareholders..... | 9,738,965 | 31.9 |
| Total..... | <u>30,545,474</u> | <u>100.0</u> |

(1) Hartwall Capital has, on November 30, 2023, purchased 1,152,867 Shares that do not appear on the shareholders' register maintained by Euroclear Finland dated November 30, 2023. As a result of this share purchase, Hartwall Capital's holding has increased to a total of 7,985,425 Shares, which corresponds to 26.1 percent of the Existing Shares.

To the Company's knowledge, the Company is not directly or indirectly controlled by any person as at the date of this Offering Circular.

Chief Executive Officer and the Management Team

The following table sets forth the members of Duell's management team as at the date of this Offering Circular:

| | Position | Citizenship | Year of birth |
|------------------------------------|---|--------------------|----------------------|
| Jarkko Ämmälä ⁽¹⁾ | Chief Executive Officer | Finland | 1971 |
| Riitta Niemelä..... | Chief Financial Officer | Finland | 1981 |
| Pellervo Hämäläinen..... | Communications and Investor Relations Manager | Finland | 1966 |
| Joakim Vest..... | Logistics Manager | Finland | 1978 |
| Pia Hoseus..... | HR Director | Finland | 1987 |
| Erwin Van Hoof..... | Business Director, Powersports Business | Belgium | 1963 |
| Jukka Smolander..... | Business Director, Bicycle Business | Finland | 1987 |
| Heidi Markkanen..... | Chief Digital Officer | Finland | 1978 |

(1) On September 29, 2023, Duell announced that Magnus Miemois (M.Sc. Tech.) would start as the Chief Operating Officer ("**COO**") and Deputy CEO (as defined below) as well as a member of the management team of Duell latest on January 1, 2024, and that Mr. Miemois would become Duell's Chief Executive Officer ("**CEO**") during 2024.

The Board of Directors

The following table sets forth the members of the Company’s Board of Directors as at the date of this Offering Circular:

| | Position | Citizenship | Year of birth |
|--------------------|----------|-------------|---------------|
| Anna Hyvönen | Chair | Finland | 1968 |
| Kim Ignatius | Member | Finland | 1956 |
| Niko Mokka | Member | Finland | 1979 |
| Anu Ora | Member | Finland | 1973 |

Statutory Auditor

Duell’s statutory auditor is KPMG Oy Ab (“**KPMG**”), Authorized Public Accountants, with Authorized Public Accountant Mari Kaasalainen as the auditor with principal responsibility. Mari Kaasalainen is registered in the Finnish Register of Auditors pursuant to Chapter 6, Section 9 of the Finnish Auditing Act (*tilintarkastuslaki* 1141/2015, the “**Finnish Auditing Act**”) maintained by the Trade Register.

What is the Key Financial Information Regarding the Issuer?

The selected consolidated financial information set forth below has been derived from Duell’s audited consolidated financial statements as at and for the financial year ended August 31, 2023 (the “**2023 Audited Consolidated Financial Statements**”) prepared in accordance with the Finnish Accounting Act (1336/1997, as amended), Finnish Accounting Ordinance (1339/1997, as amended) and instructions and opinions of the Finnish Accounting Board (together, the Finnish Accounting Standards (“**FAS**”)) and Duell’s audited consolidated financial statements as at and for the financial year ended August 31, 2022 (the “**2022 Audited Consolidated Financial Statements**” and together with the 2023 Audited Consolidated Financial Statements, the “**Audited Consolidated Financial Statements**”) prepared in accordance with FAS.

The following table sets forth Duell’s key figures as at the dates and for the financial years indicated:

| | As at and for the financial year ended August 31, | |
|---|---|----------|
| | 2023 | 2022 |
| | (audited, unless otherwise indicated) | |
| | (EUR in thousands, unless otherwise indicated) | |
| Consolidated income statement data | | |
| Net sales..... | 118,832 | 123,991 |
| Net sales growth ⁽¹⁾ , percent..... | (4.2) | 61.5 |
| Operating profit | 1,041 | 4,904 |
| Operating profit margin ⁽¹⁾ , percent..... | 0.9 | 4.0 |
| Profit (-loss) for the financial year | (2,827) | 1,928 |
| Earnings per Share, basic ⁽¹⁾ , EUR..... | (0.10) | 0.08 |
| Earnings per Share, diluted ⁽¹⁾ , EUR..... | (0.10) | 0.08 |
| Gross margin ⁽¹⁾ | 28,344 | 29,607 |
| Gross margin ⁽¹⁾ , percent..... | 23.9 | 23.9 |
| EBITDA ⁽¹⁾ | 4,307 | 7,383 |
| EBITDA margin ⁽¹⁾ , percent..... | 3.6 | 6.0 |
| Adjusted EBITDA ⁽¹⁾ | 5,499 | 9,457 |
| Adjusted EBITDA margin ⁽¹⁾ , percent | 4.6 | 7.6 |
| EBITA ⁽¹⁾ | 3,401 | 6,652 |
| EBITA margin ⁽¹⁾ , percent..... | 2.9 | 5.4 |
| Adjusted EBITA ⁽¹⁾ | 4,594 | 8,726 |
| Adjusted EBITA margin ⁽¹⁾ , percent | 3.9 | 7.0 |
| Consolidated balance sheet data | | |
| Total assets | 95,483 | 95,468 |
| Total equity..... | 36,883 | 31,853 |
| Net debt ⁽¹⁾ | 38,248 | 44,571 |
| Consolidated cash flow statement data | | |
| Net cash flow from operating activities | 14,392 | (6,528) |
| Net cash flow from investing activities..... | (9,420) | (12,503) |
| Net cash flow from financing activities | (4,901) | 20,879 |

(1) Unaudited.

There are no qualifications in the audit reports relating to the Audited Consolidated Financial Statements, but the audit report for the financial year ended August 31, 2023, includes the following note:

“Emphasis of Matter – Financial Loan Covenants

We would like to draw attention to the section going concern in the notes to the financial statements, which describes the financial loan covenants. The conditions for the covenants were not met at the financial statement date. According to the financing agreement, in event of a breach of the covenants, the bank has the right to terminate the loans and demand repayment. The breach of covenants has been approved in writing by the bank on August 31, 2023, valid until the next review date. The next review of covenants is on November 30, 2023, when according to the Company’s forecast, the covenant conditions will not be met. The Company is in negotiations with the bank to amend the covenant levels in the financing agreement.

Our opinion is not modified in respect of this matter.”

What Are the Key Risks that are Specific to the Issuer?

- Duell is exposed to macroeconomic risks and other macro trends that could reduce demand for its products;
- Duell may fail to successfully anticipate demand, manage its inventory or manage disruptions in supply, which could have an adverse effect on Duell’s operations and its profitability;
- Duell is subject to risks related to third party suppliers and logistics providers that could adversely affect its business;
- Duell’s sales could be adversely affected by unusual weather conditions;
- Duell may not be able to ensure the quality and safety of its own brand products, which could expose it to claims and reputational risk;
- Duell’s geographical expansion involves several risks, and failure to identify suitable customers, recruit new employees and achieve estimated benefits could adversely affect Duell;
- Duell may fail in finding M&A targets as well as in integrating the acquired targets, and M&A transactions may also cause unpredictable risks and liabilities to Duell;
- Duell may not be successful in recruiting or retaining qualified key personnel, which could result in loss of expertise or transfer of expertise to Duell’s competitors; challenges in recruiting and retaining key employees at Duell as well as potential industrial actions, layoffs and strikes may disrupt Duell’s business;
- Duell operates in a competitive and fragmented market, and competition as well as its consolidation may increase in the future;
- Duell has substantial amounts of debt, which may limit its financial and operational flexibility;
- if Duell is not able to comply with the financial covenants included in its financing agreements and other loans, it could have a material adverse effect on its financial condition; and
- fluctuations in foreign exchange and interest rates could have a material adverse effect on Duell.

Key Information on the Securities

What Are the Main Features of the Securities?

The Shares are registered in the Finnish book-entry system maintained by Euroclear Finland under the ISIN code FI4000513072 and are admitted to trading on the First North Growth Market with the trading code “DUELL.” The Shares have no nominal value and they are denominated in euro.

As at the date of this Offering Circular, Duell has one share class. Each Share entitles its holder to one vote at the general meetings of shareholders of the Company and Shares carry equal rights to dividends and other distributions by the Company. The rights attached to the Shares include, among others, pre-emptive rights to subscribe for new shares in the Company, the right to participate and exercise voting power at the general meetings of shareholders of the Company, the right to dividend and distribution of other unrestricted equity, and the right to demand redemption at a fair price from a shareholder that holds shares representing more than 90 percent of all the shares and votes in the Company, as well as other rights generally available under the Finnish Limited Liability Companies Act (624/2006, as amended) (the “**Finnish Companies Act**”). The Shares are freely transferrable. The trading code of the Shares is “DUELL” and the ISIN code is

FI4000513072. The Company will issue preliminarily a maximum of 1,008,000,642 Offer Shares and the number of the Shares may increase preliminarily to a maximum of 1,038,546,116 Shares if all the Offered Shares preliminarily offered in the Offering are subscribed for in full. Offer Shares carry rights equal to all other Shares and they will entitle their holders to dividends and other distributions of funds (including the distribution of funds in the event of insolvency of the Company) as well as other rights related to the Shares.

The Board of Directors of the Company adopted a dividend policy in 2021 pursuant to which the Company aims to distribute annually growing dividend, which is on an annual basis at least 30 percent of its reported net profit. The Board of Directors of the Company estimates annually the balance between dividends to be distributed and funds to be used for Duell's growth and based on this assessment, makes a proposal on the amount of dividends to be distributed, which may for any single year differ significantly from the target level set in the dividend policy. The annual general meeting of shareholders of the Company resolved on December 5, 2023, that no dividend will be paid in respect of the financial year ended August 31, 2023. No dividend was paid by the Company for the financial year ended August 31, 2022. No dividend has been paid by the Company since the adoption of the dividend policy.

Where Will the Securities Be Traded?

The Company will submit an application to Nasdaq Helsinki for the Offer Shares to be admitted to trading on the First North Growth Market with the trading code "DUELL."

Trading in the Interim Shares corresponding to the Offer Shares that have been subscribed for based on the Subscription Rights is expected to commence as a separate share class on the First North Growth Market with the trading code "DUELLN0123" on December 8, 2023. The Offer Shares subscribed for in the Offering are expected to be registered in the Trade Register on or about January 2, 2024. Trading in the Offer Shares on the First North Growth Market together with the existing Shares is expected to commence on or about January 3, 2024.

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

- The amount of any dividends paid by the Company in any given financial year is uncertain;
- the interests of major shareholders may differ from those of other shareholders; and
- a shareholder's ownership will be diluted if the shareholder does not exercise the Subscription Rights, and the Subscription Rights could lose all their value.

Key Information on the Offer of the Securities to the Public

Under which Conditions and Timetable Can I Invest in this Security?

General

The Company aims to raise gross proceeds of approximately EUR 20.2 million by offering a maximum of 1,008,000,642 Offer Shares for subscription in the Offering. As a result of the Offering and assuming that the Offering is fully subscribed, the total number of the Shares will increase from 30,545,474 Shares to a maximum of 1,038,546,116 Shares. Assuming the Offering is fully subscribed, the Offer Shares represent approximately 97.1 percent of all issued and outstanding Shares and votes in the Company after the completion of the Offering.

Subscription Rights

The Record Date of the Offering is December 4, 2023. Shareholders who are registered in Duell's shareholders' register maintained by Euroclear Finland on the Record Date will receive one (1) Subscription Right in the form of a book-entry for each Existing Share owned by the shareholder on the Record Date. No Subscription Rights will be allocated to the treasury Shares of Duell.

The Subscription Rights will be registered on the shareholders' book-entry accounts on December 5, 2023, in the book-entry system maintained by Euroclear Finland.

Each one (1) Subscription Right entitles its holder to subscribe for thirty-three (33) Offer Shares at the Subscription Price (*i.e.*, the Primary Subscription Right). No fractions of Offer Shares will be allotted and a Subscription Right cannot be exercised partially. Both holders of Subscription Rights and investors who do not hold Subscription Rights may submit orders to subscribe for any Offer Shares that have not been subscribed for pursuant to the Primary Subscription Right (*i.e.*, the Secondary Subscription Right). Offer Shares remaining unsubscribed under the Primary Subscription Right and the Secondary Subscription Right may be directed for subscription as resolved by the Company's Board of Directors.

The Subscription Rights will be publicly traded on the First North Growth Market from December 7, 2023, to December 15, 2023. The ISIN code of the Subscription Rights on the First North Growth Market is FI4000565619 and the trading code is “DUELLU0123.”

Subscription Price and Subscription Period

The Subscription Price is EUR 0.02 per Offer Share.

The Subscription Period will commence on December 7, 2023, at 9:30 a.m. (Finnish time) and end on December 21, 2023, at 4:30 p.m. (Finnish time). The Board of Directors of the Company is entitled to extend the Subscription Period. Any extension will be announced by the Company through a company release no later than on December 29, 2023. Upon expiry of the Subscription Period, unexercised Subscription Rights will lapse and will be removed from the holder’s securities account without notification. If the Offering would be cancelled, the Subscription Rights could not be exercised and would have no value.

Cancellation in Accordance with the Prospectus Regulation

Any exercise of the Subscription Rights or subscription of the Offer Shares pursuant to the Secondary Subscription Right is irrevocable and may not be modified or cancelled other than as set forth below.

Where the Finnish Prospectus is supplemented in accordance with the Prospectus Regulation due to a significant new factor, material mistake or material inaccuracy, which may affect the assessment of the Offer Shares or the Interim Shares, investors who have subscribed for the Offer Shares before the supplement is published shall have the right to withdraw their subscriptions during a withdrawal period. Such withdrawal period shall last for at least two (2) working days from the publication of the supplement. The withdrawal right is further conditional on that the significant new factor, material mistake or material inaccuracy referred above has emerged or was noted prior to the end of the Subscription Period or the delivery on the book-entry account of the subscriber of the Offer Shares or the Interim Shares that are subject to the withdrawal (whichever occurs earlier).

The procedure regarding the withdrawal of the subscriptions will be announced together with any such supplement to the Finnish Prospectus and its English translation as a supplement to this Offering Circular through a company release. Any withdrawal of a subscription shall relate to the entire subscription of the investor. The withdrawal must be made in writing at the account operator, custodian or nominee in which the subscription order was given.

After the end of the withdrawal period, the right of withdrawal will lapse. Where a subscription is withdrawn, the Subscription Price paid will be returned to the subscriber within approximately two business days from withdrawal notification. No interest will be paid on the funds returned. If the holder of a Subscription Right or an Interim Share has sold or otherwise transferred the Subscription Right or the Interim Share, such sale or transfer cannot be withdrawn.

Fees and Expenses

In connection with the Offering, the Company expects to pay approximately EUR 2.5 million in fees and expenses, including the commissions and fees paid to the Global Coordinator. The aforementioned amount of fees and expenses includes a total of EUR 0.9 million fee to be paid to the Subscription Guarantor for the Subscription Guarantee Undertaking.

Dilution of Ownership

The maximum number of Offer Shares offered in the Offering represents 97.1 percent of the Shares after the completion of the Offering. In the event that existing shareholders of the Company do not subscribe for Offer Shares in the Offering (except for the Subscription Commitments and the Subscription Guarantee Undertaking), their total holdings in the Company would be diluted by 97.1 percent, assuming that the Company will issue 1,008,000,642 Offer Shares.

Why Is this Offering Circular being Produced?

This Offering Circular has been prepared and published by Duell in order to offer Offer Shares to the public.

Reasons for the Offering

The objective of the Offering is to strengthen Duell’s capital structure and to ensure its ability to implement its strategy in the current operating environment shaped by the high inflation, decreased customer demand and generally lower market activity following the Russian invasion of Ukraine. Following the aforementioned changes in the operating environment, Duell’s profitability has decreased and subsequently its net debt to adjusted EBITDA ratio has increased (7.0 on August 31, 2023, and 4.7 on August 31, 2022). The Offering is further aimed at facilitating the payment of the deferred purchase price relating to the TranAm Acquisition (as defined below) and enabling the Company to meet the covenants of the Amended and Restated Facilities Agreement (as defined below). Through the Offering, the Company seeks to strengthen its balance

sheet and financial position in order to allow the Company to better manage its financial liabilities and to strengthen the profitability of operations and cash flows. The objective of the Offering is also to facilitate the execution of the Company's strategy of aiming to expand the operations in Europe, improve the position of online business and develop the brand portfolio.

Use and Estimated Amounts of Proceeds

The Company aims to raise gross proceeds of approximately EUR 20.2 million and net proceeds of approximately EUR 17.7 million by offering Offer Shares for subscription. The Company aims to use the net proceeds received from the Offering to strengthen its balance sheet by repaying EUR 2.5 million of its debt under the facilities agreement (as amended) with Nordea Bank Abp ("**Nordea**") originally dated July 29, 2021 (the "**Facilities Agreement**"), to pay out the deferred purchase price relating to the TranAm Acquisition (as defined below) (approximately GBP 4.9 million) approximately during the first quarter of calendar year 2024, and to facilitate the execution of the Company's strategy of aiming to expand the operations in Europe, improve the position of online business and develop the brand portfolio. The Company's intention is to prioritize current internal efficiency measures to ensure improved profitability and efficient net working capital, and it will not prioritize larger acquisition opportunities until the operating environment is more supportive for them.

Subscription Commitments and Subscription Guarantee Undertaking

Hartwall Capital, Sponsor Capital and certain companies controlled by persons involved in the operations of Sponsor Capital, representing in aggregate approximately 37.5 percent of the Existing Shares, have each separately and irrevocably committed to subscribe for the *pro rata* amount of the Offer Shares based on the Subscription Rights allocated in the Offering, and to pay the Subscription Price for such Offer Shares (either by itself and/or on behalf of its controlled entity) under certain customary conditions (*i.e.*, each separately a Subscription Commitment and together, the Subscription Commitments). In addition, the Subscription Guarantor has entered into the Subscription Guarantee Undertaking with Duell pursuant to which it has committed, subject to certain terms and conditions, to subscribe for the Offer Shares that may remain unsubscribed for in the Offering, up to a maximum of EUR 13.6 million, in addition to the Offer Shares that are covered by its Subscription Commitment.

Interests Related to the Offering

The Global Coordinator's fees are to a large extent linked to the proceeds raised in the Offering.

The Global Coordinator and/or its affiliates have provided and may in the future provide the Company with advisory, consulting and/or banking services as a part of their normal business activities for which they will receive customary fees and reimbursement of expenses.

Applicable Laws and Dispute Resolution

The Offering shall be governed by the laws of Finland. Any disputes arising in connection with the Offering shall be settled by the court of competent jurisdiction in Finland.

RISK FACTORS

An investment in Duell involves a number of risks, many of which are inherent in Duell's business and could be significant. Investors should carefully review the information contained in this Offering Circular, and in particular, the risk factors described below. The following description of risk factors is based on information known and assessed on the date of this Offering Circular and, therefore, is not necessarily exhaustive. Some of these factors are potential events that may or may not materialize. Should one or more of the risk factors described in this Offering Circular materialize, it could have a material adverse effect on Duell's business, financial condition and/or results of operations. Duell also faces additional risks not currently known or not currently deemed material, which could also have a material adverse effect on Duell's business, financial condition and/or results of operations. The market price of the Shares in the Company could decline due to the realization of these risks, and investors could lose part or all of their investment.

The risk factors presented herein have been divided into five categories based on their nature. These categories are:

- *risks related to the environment in which Duell operates;*
- *risks related to Duell's business;*
- *risks related to financial condition and financing;*
- *risks related to the Shares; and*
- *risks related to the Subscription Rights and the Offering.*

Within each category, the risk factor estimated to be the most material on the basis of an overall evaluation of the criteria set out in the Prospectus Regulation is presented first. However, the order in which the risk factors are presented after the first risk factor in each category is not intended to reflect either the relative probability or the potential impact of their materialization. The order of the categories does not represent any evaluation of the materiality of the risk factors within that category, when compared to risk factors in another category.

Risks Related to the Environment in which Duell Operates

Duell is exposed to macroeconomic risks and other macro trends that could reduce demand for its products.

As a European Powersports Aftermarket distributor offering motorcycle, ATV, snowmobile, bicycle and marine products, including technical and spare parts and personal equipment (for example clothing and accessories), to dealers across several markets in Europe, Duell's business is dependent on the size of total fleet and level of usage of motorcycles, boats, bicycles, personal watercraft ("PWCs"), snowmobiles and ATVs in these regions as well as end customers' ability and willingness to pay for related technical and spare parts and personal equipment, such as clothing and accessories. Duell's main customers are dealers, who in return mainly depend on demand from consumers, but also from businesses as end customers. As the products that Duell distributes are generally discretionary items, the demand for such products may vary in line with the general economic conditions and other macro trends in the countries in which end customers are located as well as globally. Demand for Duell's products by end customers may be adversely affected by economic drivers, such as employment levels, salary and wage levels, the availability of consumer credit, the level of consumer debt, inflation, interest rates, tax rates and consumer confidence with respect to current and future economic conditions. For example, according to Duell's estimate, the number of motorcycles registered in Europe has been steadily growing, which supports the Powersports Aftermarket. While an economic downturn would likely not adversely affect demand for spare parts, which correlates to the distance driven, it is likely that motorcycle owners would postpone discretionary investments in their motorcycles, such as upgraded parts or accessories, in the event of an economic downturn. In addition, consumer purchases of clothing and other discretionary spending items generally decline during periods when disposable income is adversely affected or when there is economic uncertainty. Also, environmental pressures and possible public perception of powersports could steer demand to activities perceived to be more sustainable and environmentally conscious, which could adversely affect the sales of the products that Duell distributes. Macro trends causing changes in consumer preferences affecting the popularity of powersports could have an adverse effect on the demand for Duell's products. See "*Business—Operating Environment.*"

The continuing inflation and overall economic environment have decreased consumer confidence in the past years, and Duell expects that the market and business cycle continue to be weak and uncertain. The market, in which Duell operates, became uncertain in 2022 due to increasing inflation, decreasing customer demand and generally lower market activity following the Russian invasion of Ukraine. Decreasing customer demand may cause Duell having higher than anticipated inventory levels if Duell fails to reduce its inventory levels to meet the customer demand. For example, in summer and fall 2023, some retailers reduced their inventory levels more than Duell anticipated, which adversely affected Duell's inventory levels, sales and profitability. Higher than anticipated inventory levels further increase risk for Duell having obsolete or slow-moving inventories. See "*—Risks Related to Duell's Business—Duell may fail to successfully anticipate demand, manage its inventory or manage disruptions in supply, which could have an adverse effect on Duell's operations and its*

profitability” below. In addition, as retailers have been reducing inventory levels due to the weak economic environment, Duell’s sales, especially in the Nordic countries, have been affected in the past year. Some of Duell’s competitors with large inventory levels may benefit from the decrease in others’ inventory levels as the competitors with large inventory levels have more flexibility to operate. See “—*Duell operates in a competitive and fragmented market, and competition as well as its consolidation may increase in the future*” below. The factors described above have also reduced predictability. Duell cannot predict the timing or duration of any economic slowdown or the timing or strength of a subsequent economic recovery, worldwide or in the markets in which it operates. Economic uncertainty globally or in Duell’s core markets has reduced and could further reduce consumer confidence and consumer and business spending on powersport technical and spare parts and personal equipment and vehicle maintenance, which could lead to lower demand for Duell’s products also in the future. Furthermore, economic conditions may be affected by various additional events that are beyond Duell’s control, such as natural disasters and pandemics.

Any reduced demand for Duell’s products due to the factors described above could adversely affect Duell’s net sales or otherwise have a material adverse effect on Duell’s business, financial position, results of operations and/or future prospects.

Duell operates in a competitive and fragmented market, and competition as well as its consolidation may increase in the future.

Duell operates in a competitive market, facing competition from many other European distributors of powersport and bicycle technical and spare parts and personal equipment that are either large international distributors, large regional distributors or small local distributors. Inasmuch as Duell benefits from its strong market position, local presence and higher brand recognition in the Nordics and in the Baltics, it is smaller in other European markets where it has a few larger competitors. For more information, see “*Business—Operating Environment*.”

Although the markets in which Duell operates are fragmented, Duell’s competitors may consolidate, establish consortiums or aim to expand their operations in the future, which may increase competition in Duell’s markets, including in the Nordics and in the Baltics. Any significant consolidation could create competitors with more financial, technical, marketing or other resources that would enable them to assign more resources to the sale of powersport technical and spare parts and personal equipment, such as clothing and accessories, than currently, which, in turn, could have an adverse effect on Duell’s business and growth opportunities (see “—*Risks Related to Duell’s Business—Duell may fail in finding M&A targets as well as in integrating the acquired targets, and M&A transactions may also cause unpredictable risks and liabilities to Duell*” below). In addition, Duell may face more intense competition in the future if competitors adopt aggressive pricing models, expand their distribution networks or adapt more quickly to changes in customer preferences and trends. Certain of Duell’s largest competitors may possess larger purchasing economies of scale or lower cost bases, stronger brand recognition or entrenched relationships with suppliers, any of which may give them a competitive advantage over Duell and could result in a loss of Duell’s market share. In addition, the continuing inflation and overall economic environment have decreased consumer confidence and both retailers and Duell have been reducing their inventory levels. Duell’s competitors with large inventory levels may benefit from the decrease in others’ inventory levels as the competitors with large inventory levels have more flexibility to operate. See “—*Duell is exposed to macroeconomic risks and other macro trends that could reduce demand for its products*” above. In addition, Duell’s competitors may also consolidate Duell’s customers by contractual arrangements or by acquiring them. Furthermore, Duell’s competitors that currently purchase powersport technical and spare parts and personal equipment, such as clothing and accessories, from suppliers on a decentralized basis may consolidate their purchasing functions across their various operations, subsidiaries or owned or affiliated dealers, and their economies of scale may enable them to purchase products at prices that are lower than Duell can obtain. As a result, they may be able to offer certain products to customers at lower prices than Duell is able to.

Consolidation may also occur on other levels as the customers or suppliers of Duell could also consolidate. This could result in Duell’s customers starting to compete with Duell, which could lead to a decrease in demand for Duell’s products, or Duell’s suppliers to strengthen their bargaining power resulting in the increase in their prices. Furthermore, Duell’s suppliers could start or increase their own importing of powersport technical and spare parts and personal equipment, such as clothing and accessories, and bypassing distributors in the markets in which Duell operates. For the financial year ended August 31, 2023, approximately 40 percent of Duell’s purchases were made from its ten largest suppliers. Especially a loss of market exclusivity could adversely affect Duell’s business. For further information on Duell’s customers and suppliers, see “*Business—Duell’s Operations and Value Chain—Customers*” and “*Business—Duell’s Operations and Value Chain—Purchasing and Quality Control—Suppliers and Purchasing*.”

Duell also competes with emerging online resellers that are highly competitive in terms of price and convenience. Certain online operators have emerged and compete with Duell primarily on the basis of price. Such online operators, or any other new market entrants, may decide to expand their presence in the Nordics and the Baltics or in other markets where Duell currently operates, which could reduce demand for Duell’s products or force Duell to lower its prices, which could adversely affect Duell’s business, financial position, results of operations and/or future prospects.

Furthermore, Duell may face challenges in the future in keeping up with the development of the Powersports Aftermarket and in providing an attractive product offering. Certain of Duell's competitors may be able to keep up with the development better than Duell, which may give them a competitive advantage over Duell and could result in a loss of Duell's market share. If Duell fails to stock or develop new high selling products, Duell could lose sales and its reputation with customers could be adversely affected.

Any of the above factors could reduce Duell's market share in the future and compel Duell to respond to competitive pressures by lowering prices, leading to a decrease in its net sales and profit margins that may have a material adverse effect on Duell's business, financial position, results of operations and/or future prospects.

With operations in several countries, Duell is subject to a variety of laws and regulations, and potential violations of or changes in laws and regulations could have an adverse effect on Duell.

Duell must comply with laws and regulations enacted at both the national and EU level concerning its operations in relation to matters including health, environment, safety, consumer protection and marketing, general product safety, employment, competition, company law, data protection, international trade and taxation in all countries in which Duell pursues business. For example, sales of certain products that Duell distributes are more affected by regulation than others, such as helmets in the clothing market or must-have technical and spare parts that require regular replacements, such as tires. Failure to comply with applicable laws and regulations may cause Duell financial losses, undermine Duell's business opportunities and harm Duell's reputation. Laws and regulations in the markets in which Duell operates may change unpredictably and at a relatively short notice, and such changes in laws and regulations may also adversely affect demand for Duell's products. Duell's business could, for example, be adversely affected by the introduction of new laws and regulations impacting the powersports industry, which could reduce the demand for Duell's products. Regulators both on the national and EU level may introduce or consider introducing laws and regulations that may limit or even prohibit the use of motorcycles, boats and PWCs, snowmobiles and/or ATVs, for example, in certain locations, or restrict their use or manner of use in certain areas. Any such change causing a decline in the popularity of powersports could also adversely affect Duell's business. The realization of any of the aforementioned risks may have a material adverse effect on Duell's business, financial condition and/or results of operations.

Risks Related to Duell's Business

Duell may fail to successfully anticipate demand, manage its inventory or manage disruptions in supply, which could have an adverse effect on Duell's operations and its profitability.

Duell is committed to offering its customers the right product at the right time and to the right place. Duell's optimized delivery enables deliveries within 24 hours for approximately 95 percent of the products distributed by Duell in countries where Duell has its own logistics centers, which, in turn, requires Duell to maintain significant inventory. Accordingly, operational efficiency and inventory management are key for Duell's business. If orders and inventory do not efficiently match demand at any particular time and location, either in terms of the quantity or nature of products, Duell could have higher or lower than anticipated inventory levels. Higher than anticipated inventory levels further increase risk for Duell having obsolete or slow-moving inventories. If products remain unsold, Duell may be forced to reduce selling prices, resulting in lower margins and expected cash flows, or it may need to incur higher charges to store inventory or transport it to other markets within its network where there may be greater demand or increase provisions related to obsolete or slow-moving inventories. Duell may also be required to write-down inventory or increase obsolescence provisions related to inventories. For the financial year ended August 31, 2023, write-downs of inventories made by Duell amounted to EUR 828 thousand, which corresponded to 1.6 percent of the total value of inventories as at August 31, 2023. For the financial year ended August 31, 2022, write-downs of inventories made by Duell amounted to EUR 1,066 thousand, which corresponded to 2.1 percent of the total value of inventories as at August 31, 2022. Conversely, if Duell fails to stock sufficient quantities of high selling products, Duell could lose sales and its reputation with customers could be adversely affected. For example, in summer and fall 2023, some retailers reduced their inventory levels more than Duell anticipated, which adversely affected Duell's inventory levels, sales and profitability, and there can be no assurance that the retailers would not continue to reduce their inventory levels further. Furthermore, the continuing inflation and overall economic environment have decreased consumer confidence and demand for, among others, Duell's products, in the past year. As a result, Duell has recently reduced its inventory levels to streamline its cash flow and align with the lower demand. In addition, Duell's customers have also reduced their inventory levels, which has resulted in a decreased number of purchases adversely affecting Duell's sales in the financial year ended August 31, 2023. Duell may not be successful in its purchasing operations, and it may fail to anticipate and react to changing preferences and retailers' purchasing operations. For example, fashion trends are difficult to predict, and Duell may fail in ensuring product relevance. Also, unusual weather conditions may cause difficulties in inventory management (see "*—Duell's sales could be adversely affected by unusual weather conditions*" below).

Duell's locations are optimized to serve dealers in core markets, and as at the date of this Offering Circular, Duell's warehouses are located in Mustasaari and Tampere, Finland, Tranås, Sweden, Veghel, the Netherlands, Le Cavalier, France, and New Milton, the United Kingdom. All of Duell's warehouses serve all customers regardless of where they are

located, and continuous optimization of the utilization of Duell's warehouses plays an essential role in serving its customers in the best possible way. For more information, see "*Business—Duell's Operations and Value Chain—Logistics.*" A failure in optimizing the utilization of Duell's warehouses or in Duell's inventory management software/systems could result in customers not receiving products on time. In addition, Duell's warehouses may be damaged or destroyed or they may be closed or the equipment on the premises may be damaged due to, for example, fire, accident, natural disaster or equivalent events beyond Duell's control. Such events or incidents could result in material inventory losses and also cause delays in Duell's deliveries and Duell not being able to fulfill its obligations to its customers.

If Duell is unable to appropriately align its inventory with demand, it may result in build-up of inventory, lower margins, increased need for working capital and lower expected cash flows and may also increase Duell's financial expenses. In addition, Duell could lose sales and its reputation with customers could be adversely affected, which could, in turn, have a material adverse effect on Duell's business, financial position, results of operations and/or future prospects.

Duell is subject to risks related to third-party suppliers and logistics providers that could adversely affect its business.

Duell does not manufacture any of the products that it distributes and, thus, its business relies on third-party suppliers' ability to provide Duell with the products it sells. See "*Business—Duell's Business—Products and Brands—Brands.*" Duell has approximately 600 different suppliers that are geographically diversified around the world, and Duell's own brand products are manufactured by third-party suppliers mainly located in Asia. The use of third-party suppliers entails a number of risks, including termination of the relationship as the supplier may decide to sell its products directly without using a distribution partner, and limited control over the quality of the products. Duell's suppliers may fail to meet delivery deadlines, provide Duell with insufficient or inadequate products or otherwise fail to comply with Duell's quality standards. See also "*—Duell may not be able to ensure the quality and safety of its own brand products, which could expose it to claims and reputational risk*" and "*—Duell's reputation may be harmed by negative publicity and it may not be able to ensure compliance with all applicable quality, safety and ethical requirements throughout its value chain*" below. Duell may be held liable for any unforeseen defects in such products requiring repair under warranty or recall, which could have a material adverse effect on Duell's business, financial position, results of operations and/or future prospects. Additionally, there can be no assurance that suppliers will replace defective products in a timely manner or provide Duell with sufficient refunds or indemnifications. Duell could experience material warranty or product liability losses in the future and incur significant costs to defend any such claims or if it is required to participate in a recall of that product if the defect or the alleged defect relates to safety. Duell may not be able to pass these liabilities onto the product supplier or otherwise defray these costs. For the financial year ended August 31, 2023, costs related to Duell's warranty and product liability were approximately 0.8 percent of Duell's net sales and approximately 0.6 percent for the financial year ended August 31, 2022.

Duell's certain suppliers may be exposed to production disruptions and difficulties, for example as a result of closure of suppliers' facilities or critical manufacturing lines, increases in manufacturing costs or other factors that may adversely affect the quantity or quality of their production or the timeliness of their deliveries to Duell. In addition, Duell could be exposed to reputational risk if a supplier were to not comply with applicable laws and regulations in its operations or otherwise act contrary to generally accepted norms. See "*—Duell's reputation may be harmed by negative publicity and it may not be able to ensure compliance with all applicable quality, safety and ethical requirements throughout its value chain*" below. In the event that one or more of Duell's major suppliers experience operational or financial difficulties and Duell is unable to secure alternative suppliers in a timely manner or on commercially acceptable terms, Duell may experience insufficient inventory levels, which could, in turn, result in shortages and unfilled customer orders and lost net sales, as well as adversely affect Duell's reputation. See "*—Duell may fail to successfully anticipate demand, manage its inventory or manage disruptions in supply, which could have an adverse effect on Duell's operations and its profitability*" above.

Duell's success and its ability to compete in its markets is dependent on its day-to-day ability to consistently provide the right product, at the right time and to the right place. To execute this efficiently, Duell depends on third-party logistics providers for the transport of its products from its suppliers and for the distribution of its products to its customers. Use of any logistics provider is subject to risks including delays in delivery schedules or damage to cargo, which may materially increase the logistics costs, especially in force majeure events. Also, strikes, work stoppages and inclement weather may impact such logistics providers' ability to provide delivery services that adequately meet Duell's needs.

Any of above-mentioned risks could result in Duell losing sales and damaging its reputation with customers, which, in turn, could materially and adversely affect Duell's business, financial position, results of operations and/or future prospects.

Duell's sales could be adversely affected by unusual weather conditions.

Duell's business is impacted by weather conditions, as the vehicles used by end customers change with seasons and temperatures, and unusual weather conditions could adversely affect Duell's sales. Especially Duell's Snowmobile Gear and Technical Products and Marine Products categories are subject to fluctuation due to seasonality and may be impacted by weather conditions, particularly in the Nordics. For example, the low snow volumes in winters may adversely affect Duell's snowmobile accessory sales, and sales are usually adversely affected in the following year as well, as dealers are

likely to have leftover stock from the previous season that they have not been able to sell. In addition to unusual winter conditions, Duell's other product categories, such as the Marine Products category, may be affected by poor summer conditions. Furthermore, Duell's Bicycle Products category has become subject to seasonal fluctuation as the product category has been further expanded into Northern Europe in the past years. Although the risks caused by the weather conditions have decreased in the past years as the share of business outside the Nordics, where the high season for example for the Marine Products category is longer than in the Nordics, has increased, there is no assurance that the weather conditions in Europe would remain same in the future. In order to prepare for higher demand of products in different seasons, Duell needs to stock greater amounts of anticipated high selling products. In addition, in the past years, customers' orders have been increasingly linked to customers' own sales that are affected by weather conditions resulting in shorter purchase order lead times. Should Duell's products remain unsold due to unusual weather conditions, such as cold summers and warm winters, Duell may be required to write-down inventory or increase obsolescence provisions related to inventories, which could have a material adverse effect on Duell's business, financial position and/or results of operations. See "*—Duell may fail to successfully anticipate demand, manage its inventory or manage disruptions in supply, which could have an adverse effect on Duell's operations and its profitability*" above.

Duell may not be able to successfully target cost savings measures under its cost savings program and efficiency improvement measures.

Duell has taken a number of measures to reduce its costs and achieve operating efficiencies over the past years, and it may take further measures in the future. The implemented measures include, among others, personnel reductions, and Duell has the possibility to implement temporary layoffs to adjust costs to the prevailing market situation. For example, Duell enhanced its cost savings program by commencing change negotiations in Finland and Sweden on May 23, 2023, and which was completed on September 7, 2023. Cost savings measures require careful planning, and there is no assurance that Duell would be successful in targeting the measures correctly. Any failure in targeting the cost savings measures may have a material adverse effect on Duell's business, results of operations and/or future prospects. In addition, realized cost savings may differ materially from original estimates for a number of reasons. In addition, cost savings measures are based on current conditions and do not take into account possible future cost increases that may result from changes in the industry or Duell's operations, such as the overall weaker business environment and the current uncertainty in the global markets. Any failure to successfully implement these or additional future measures, or the failure of these measures to generate the anticipated level of savings, could have a material adverse effect on Duell's business, financial condition and/or results of operations.

Duell may not be able to ensure the quality and safety of its own brand products, which could expose it to claims and reputational risk.

In addition to distributing third-party brands, Duell sells products under its own brands, which are an essential part of Duell's current business as well as its growth strategy. For the financial year ended August 31, 2023, 21.8 percent of Duell's net sales was generated by Duell's own brands. Duell believes that its own motorcycle clothing brands, Halvarssons and Lindstrands, as well as its own snowmobile and motocross clothing brand Amog, provide it with a platform to further increase its share of wallet amongst its current customer base as well as penetrate new customer segments inside and outside core markets by introducing products that are currently not present in the market or are currently covered by other brands to which other distributors hold exclusive rights. Duell's other own brands provide an attractive quality-to-price ratio enabling new market entries and new customer segment penetration. However, Duell's own brand products expose Duell to various risks particularly relating to the quality and/or safety of such products as the responsibility for product quality and safety and product approval processes lies with Duell.

Even though Duell always aims to ensure the quality and safety of its own brand products, there can be no assurance that Duell will not become subject to product liability claims or allegations regarding the quality or safety of its products. In addition, quality and safety laws and regulations in the markets in which Duell operates may change unpredictably and at a relatively short notice. For more information, see "*—Risks Related to the Environment in which Duell Operates—With operations in several countries, Duell is subject to a variety of laws and regulations, and potential violations of or changes in laws and regulations could have an adverse effect on Duell.*" Any claims, allegations or negative publicity related to Duell's products could weaken the strength of its own brands and harm Duell's reputation, even if such claims or allegations are unfounded. This could, in turn, reduce the demand for both Duell's own brand products as well as the third-party brand products that Duell distributes, which could adversely affect Duell's competitive position and delay or even prevent Duell from pursuing its expansion plans and achieving its growth targets.

Duell's own brand products are manufactured by third-party suppliers mainly located in Asia, which exposes Duell to third-party sourcing risks that are largely out of Duell's control. For example, any unforeseen defects in Duell's own brand products could result in a recall, which could result in significant costs if Duell is not able to pass the liabilities related to such product defects onto its manufacturers, which could have a material adverse effect on Duell's business, financial position, results of operations and/or future prospects. See also "*—Duell is subject to risks related to third-party suppliers and logistics providers that could adversely affect its business*" above and "*—Duell's reputation may be harmed by negative*

publicity and it may not be able to ensure compliance with all applicable quality, safety and ethical requirements throughout its value chain” below.

Duell’s geographical expansion involves several risks, and failure to identify suitable customers, recruit new employees and achieve estimated benefits could adversely affect Duell.

As at the date of this Offering Circular, Duell supplies products to a network of dealers located in more than 15 countries and its net sales outside the Nordics, (*i.e.*, in the rest of Europe) accounted for 39.4 percent of Duell’s net sales for the financial year ended August 31, 2023. In accordance with its strategy, in addition to strengthening its position in the Nordics, Duell has completed several strategically important acquisitions in Europe in the past years to expand its market presence, and in the future Duell plans to focus on further accelerating its growth in the markets outside the Nordics after the operating environment has recovered and, as part of its long-term strategy, aims to be an active player in the consolidation of the market. See “—*Duell may fail in finding M&A targets as well as in integrating the acquired targets, and M&A transactions may also cause unpredictable risks and liabilities to Duell*” below.

Geographical expansion and entry into new markets involves various risks that may adversely affect Duell’s business and growth, such as the competitive situation in the new markets, challenges in establishing supplier and new customer relationships, lack of local brand recognition and failure to hire skilled personnel. In addition, adverse developments in economic and political operating environment in the new markets could have an adverse effect on Duell. The success of the strategic expansion depends on Duell’s ability to find suitable suppliers and dealers for offering its products and differentiate itself from other competitors. In addition, ensuring the functionality and efficiency of Duell’s logistics set-up is particularly important with Duell’s geographical expansion. Geographical expansion also places new demands to Duell’s management, personnel, internal guidelines and control and information systems, and requires recruitment of additional personnel. See also “—*Duell may not be successful in recruiting or retaining qualified key personnel, which could result in loss of expertise or transfer of expertise to Duell’s competitors; challenges in recruiting and retaining key employees at Duell as well as potential industrial actions, layoffs and strikes may disrupt Duell’s business*” below. Furthermore, both organic and inorganic geographical expansion requires capital and incurs costs, especially in the short term, which could have a material adverse effect on Duell’s business, financial position, results of operations and/or future prospects.

Any failure in pursuing or successfully executing such geographical expansion could stall Duell’s growth as its growth opportunities in the Nordics and the Baltics in particular are more limited, which, in turn, would have a material adverse effect on Duell’s business, financial condition and/or results of operations.

Duell may fail in finding M&A targets as well as in integrating the acquired targets, and M&A transactions may also cause unpredictable risks and liabilities to Duell.

Duell has previously completed and may in the future complete M&A transactions, and, in accordance with its strategy, aims to actively participate in the consolidation of the fragmented European market. Duell, for example, completed strategically important acquisition in the beginning of 2023 when it acquired a leading distributor and wholesaler of premium clothing and accessories for motorcycling, Tran-Am Ltd (the United Kingdom) (“**TranAm**”) (the “**TranAm Acquisition**”), for which further information is presented under “*Business—Material Contracts—TranAm Acquisition*”, in 2022 two important acquisitions by acquiring Techno Motor Veghel B.V. (Netherlands) (“**TMV**”) and PowerFactory Nordic Oy Ab (Finland) (“**PowerFactory**”) (the “**PowerFactory Acquisition**”) and in 2021 two strategically important acquisitions by acquiring IGM Trading BV (Netherlands) including its wholly-owned subsidiary Grand Canyon GmbH (Germany) (together “**IGM**”) (the “**IGM Acquisition**”) and Tecno Globe SARL (currently known as Tecno Globe SAS) (“**Tecno Globe**”) (the “**Tecno Globe Acquisition**”). M&A transactions are an important part of Duell’s long-term strategy, as they may be the only way to enter certain new markets due to the nature of markets in certain countries. However, Duell may not necessarily find suitable M&A targets that would support its strategy or otherwise be suitable for its operations, and even if Duell does find suitable targets, it may face challenges related to the integration of the target’s business into its own business operations. For example, Duell may fail to implement appropriate data monitoring and control processes to the acquired target in a timely manner. There can be no assurance that Duell will succeed in the integration of a potential target’s business into its own business operations or achieve its strategic goals or synergies, and, thus, the potential M&A transactions may not necessarily produce the expected net sales or operating profit. Potential M&A transactions may also cause Duell unpredictable risks and hidden liabilities that Duell has not detected. Furthermore, the success of M&A transaction is also materially dependent on Duell’s ability to integrate and retain the personnel successfully into Duell’s existing business and the Group. The corporate cultures of Duell and the target companies may differ significantly and Duell may fail in harmonizing the corporate cultures, which may lead to the loss of key personnel. See also “—*Duell may not be successful in recruiting or retaining qualified key personnel, which could result in loss of expertise or transfer of expertise to Duell’s competitors; challenges in recruiting and retaining key employees at Duell as well as potential industrial actions, layoffs and strikes may disrupt Duell’s business*” below. The examination of potential M&A targets, execution of potential M&A transactions as well as integration of the M&A targets require considerable resources from Duell’s management, in which case the existing business of Duell may suffer. Realization of the aforementioned risks may have a material adverse effect on Duell’s business, strategy, financial condition and/or results of operations.

Duell may not be successful in recruiting or retaining qualified key personnel, which could result in loss of expertise or transfer of expertise to Duell's competitors; challenges in recruiting and retaining key employees at Duell as well as potential industrial actions, layoffs and strikes may disrupt Duell's business.

The success of Duell's business and strategy depends on Duell's ability to attract and retain key management, sales and warehouse personnel. According to Duell, it is a preferred partner to suppliers and dealers due to its online channel, broad product portfolio, customer insights and knowledge, high customer satisfaction and sales support meaning that Duell relies on skilled employees, particularly in its management, procurement and sales teams as well as warehouses. See "*—Duell is subject to risks related to third-party suppliers and logistics providers that could adversely affect its business*" above and "*—Duell is dependent on its network of dealers and other customers and its net sales may decrease if its customers do not generate sufficient sales or if its relationships with customers deteriorate*" below. The loss of management or key personnel may result in the loss of expertise or, in certain circumstances, the transfer of expertise to Duell's competitors. In accordance with its strategy, in addition to strengthening its market position in the Nordics and the Baltics, Duell plans to focus in the future, after the operating environment has recovered, on accelerating its growth in markets outside these regions, which imposes demands on Duell's management and personnel. Duell's geographical expansion also requires the recruitment of additional personnel. In addition, Duell's involvement in M&A transactions generally exposes it to risk of employees, including management and other key employees, leaving before such projects are completed or the acquired businesses integrated to Duell's existing business. If Duell is not successful in recruiting and retaining qualified key personnel, this may have an adverse effect on Duell's business. In addition, Duell is subject to the risk of industrial actions, such as layoffs and strikes, which could disrupt its business operations and adversely affect Duell's business, financial condition or results of operations. For example, Duell completed change negotiations related to the cost savings program in September 2023, which resulted to a personal reductions of 11 people within Duell. For information on the cost savings program, see "*—Duell may not be able to successfully target cost savings measures under its cost savings program and efficiency improvement measures*" above.

Duell may fail to successfully implement its strategy, achieve its financial targets or successfully adapt its strategy, which could have an adverse effect on Duell's business, financial condition and/or results of operations.

The successful implementation of Duell's strategy is depending on a number of factors, some of which are partly or fully beyond Duell's control. For more information, see "*Business—Duell's Strategy*." Duell may fail in the implementation of its strategy or the management of strategic risks. Even if Duell is able to implement its strategy, there can be no assurance that the chosen strategy is or will be successful, in particular if the market conditions or the operating environment change. Duell may also decide to amend its strategy and/or adopt supplementary strategies in response to changes in market conditions or the operating environment, but there can be no assurance that the implementation of the changed strategy would be successful. The Board of Directors of the Company has confirmed Duell's financial targets, which pertain to Duell's growth, profitability and indebtedness. For information on Duell's financial targets, see "*Business—Financial Targets*." Failure in implementing or adapting Duell's strategy or unsuccessful strategy itself may result in a failure in reaching Duell's financial targets and have a material adverse effect on Duell's business, financial condition and/or results of operations.

Possible challenges in maintaining and updating IT infrastructure, deficiencies in IT systems, and external cyber-attacks related to IT systems may have an adverse effect on Duell.

Duell uses information technology ("**IT**") infrastructure, applications and software products that cover essential aspects of its business, such as product information management ("**PIM**"), enterprise resource planning software ("**ERP**"), Warehouse Management System ("**WMS**"), ordering systems, including the new business-to-business ("**B2B**") portal, as well as purchase and forecasting tool, sales and purchase analytics, logistics, human resources, finances and other administrative systems. Duell believes that IT infrastructure is a crucial factor in meeting the demands and needs of both traditional offline dealers and online dealers and, for example, for the financial year ended August 31, 2023, approximately 90 percent of Duell's product orders were received digitally through self-service portals, such as B2B online stores and system integrations, and with consumers shifting towards online channels for powersports spare parts and personal equipment product purchases. For example, in order to serve both offline and online dealers, Duell provides system integrations that enable cross-docking, dropshipping, automated processes and orders as well as checking stock availability in real time. A failure of IT systems to perform as designed or to maintain or update these systems as necessary could disrupt Duell's business operations and have a material adverse effect on its net sales and results of operations. For example, an update of Duell's IT systems at the end of 2022 led to a brief decrease in the performance of the logistics system. In addition, Duell's IT systems may be damaged or they may cease to function for numerous reasons, such as ongoing IT system and IT service development projects, third-party service provider disruptions, catastrophes, power failures or major accidents, such as fires and natural disasters, and due to mistakes made by Duell's own employees. Duell is also exposed to the risk that personal data it processes could be wrongfully accessed, distributed or used, whether by employees or third parties, or otherwise lost, disclosed or processed in breach of data protection laws and regulations. Duell is subject to the General Data Protection Regulation (Regulation (EU) 2016/679) as Duell processes different types of personal data, and non-compliance with applicable data protection legislation could, among others, result in sanctions from the relevant authorities and damages having to be paid to affected registered persons. In addition, Duell's IT systems and infrastructure

may be vulnerable to cybersecurity risks, including cyberattacks and cybercrimes, direct or indirect, such as computer viruses and worms, phishing attacks, and penetrating or bypassing security measures in order to gain unauthorized access to Duell's information networks and systems. For example, during the financial year ended August 31, 2020, Duell was a victim of a cybercrime as a result of which Duell incurred costs of EUR 439 thousand. Exploitation of possible weaknesses in Duell's security controls could disrupt its business and cause leakage of sensitive information, theft of intellectual property and damage to Duell's reputation.

Duell has invested and will continue to invest in its IT infrastructure, but Duell may also fail to make adequate investments or it may invest in IT systems that do not prove to be optimal or successful, which could have a material adverse effect on Duell's business, financial condition and/or results of operations.

Duell is dependent on its network of dealers and other customers and its net sales may decrease if its customers do not generate sufficient sales or if its relationships with customers deteriorate.

Duell's customer base consists of dealers that sell Duell's products to end customers, which are mostly consumers. Duell's net sales depend on the ability of its dealer and other customers to generate sales, and Duell's overall success is dependent on its ability to maintain its relationships with them and further grow its dealer and other customer base. Although Duell is not dependent on any specific customer or group of customers, the loss of its major customers, if not replaced on similar terms, could have a material adverse effect on Duell's business, financial condition and results of operations. Of Duell's net sales for the financial year ended August 31, 2023, approximately 20 percent was generated by ten of Duell's largest customers and approximately 10 percent by its top two largest customers in total. The deterioration of Duell's dealer and other customer base or terminations of relationships for any reason could materially affect Duell's net sales and profitability, which could, in turn, have a material adverse effect on Duell's business, financial position, results of operations and/or future prospects.

Duell's agreements with its customers are typically framework agreements, under which deliveries to customers are made based on purchase orders. Duell's customer agreements do not include minimum purchase volume obligations and there is no assurance that the customers will continue to make purchase orders from Duell. Accordingly, customers may stop buying products from Duell without prior notice. As the framework agreements are not comprehensive and do not establish all the terms of the customer relationship, their interpretation may cause disputes and claims between the parties, which may have a material adverse effect on Duell's business and results of operations. For more information on Duell's customers, see "*Business—Duell's Operations and Value Chain—Customers.*"

The loss of customers or decreases in their purchases from Duell due to any of the foregoing or other factors, such as deterioration of customer relationships, may have a material adverse effect on Duell's business, results of operations, financial condition and/or future prospects.

Duell's reputation may be harmed by negative publicity, and it may not be able to ensure compliance with all applicable quality, safety and ethical requirements throughout its value chain.

Duell believes that it is a trustworthy partner for its customers, earning the confidence of its customers due to its customer insights and knowledge, high customer satisfaction and sales support. Therefore, Duell's reputation is important for Duell's business and the implementation of its strategy when it competes for customers, and its reputation is especially important in the Nordics and the Baltics where Duell is relatively well-known by dealers. Duell's reputation may be harmed as a consequence of negative publicity relating to Duell's business and its own brands, its suppliers and their brands, its competitors or the end market. Negative publicity may have an adverse effect on customer behavior regardless of whether they are based in fact or relate directly to Duell or the products it distributes. For example, if employees, its customers or end customers were to publicly denigrate Duell, including on social media or otherwise, its reputation could be adversely affected. Duell's brand image may also be diminished if it fails to deliver products in a timely and efficient manner, maintain high ethical and social standards for all of its operations and activities or comply with local laws and regulations or if it experiences other adverse events that affect its brand, image or reputation.

Duell has approximately 600 different suppliers that are geographically diversified around the world, and Duell's own brand products are manufactured by third-party suppliers mainly located in Asia. Duell aims to ensure that both its suppliers and the products it distributes satisfy certain quality, safety and sustainability requirements, however, Duell cannot control its third-party suppliers or their business practices and Duell's contractual remedies with respect to supplier practices are limited. Duell has no centralized quality control. Violation of, for example, local labor, anti-money laundering or bribery laws or recognized ethical or environmental standards by Duell's third-party suppliers could lead Duell to seek alternative suppliers, which could increase its costs and result in delayed delivery of its products, product shortages or other disruptions to its operations. This could also lead to liability and attract negative publicity for Duell and harm the integrity of Duell's brand.

Any direct or indirect harm to Duell's reputation or brand may have a material adverse effect on Duell's business, results of operations, financial condition and/or future prospects.

Duell's risk management and internal controls may not necessarily be able to prevent or detect negligence, mistakes or action contrary to Duell's guidelines or regulations.

Duell has adopted and introduced processes, systems and controls to ensure compliance with applicable laws and regulations, but these actions may not necessarily be sufficient to prevent or detect any deficient practices, negligence, fraud, mistakes, action contrary to Duell's guidelines or regulations and illegal activity that may be pursued not only by Duell's employees and representatives, but also by its suppliers and customers. Even though Duell's internal systems and controls seek to manage such risks, these systems and controls may not be sufficient to uncover or prevent or detect negligence, mistakes or action contrary to Duell's guidelines or regulations. For example, Duell, its suppliers or its customers could become subject to allegations of non-compliance with acceptable labor practices or applicable laws, including fraud, bribery or corruption, resulting from the sourcing of products in foreign markets. Any acts, wrongdoings or non-compliance with any laws, rules and regulations by Duell, its employees and representatives or its suppliers and customers could harm Duell's business, reputation and brand, and Duell could be required to expend significant resources in its efforts to rebuild its business, reputation and brand. If Duell fails to organize or maintain effective internal controls or to introduce the necessary, new or improved control procedures or if it experiences difficulties in their introduction, Duell may fail in the correctness of reporting or prevention of abuses. Realization of the aforementioned risks may have a material adverse effect on Duell's reputation, business, financial condition and/or results of operations.

Duell's insurance policies provide limited coverage, potentially leaving Duell uninsured against certain risks.

Duell's insurance policies include, among others, property insurance, business interruption insurance, liability insurance, legal expenses insurance, transport insurance, car insurance, occupational accident insurance and travel insurance, in amounts believed to be consistent with industry practices. However, Duell is not fully insured against all risks, and insurance against all types of risks and catastrophic events may not be available on reasonable economic terms, or at all. For example, Duell's insurance coverage does not cover sales transportation as this service is outsourced to a third party, or cybercrimes. For example, during the financial year ended August 31, 2020, Duell was a victim of a cybercrime as a result of which Duell incurred costs of EUR 439 thousand. The occurrence of an accident that causes losses in excess of limits specified under the relevant policy or is subject to material deductibles or self-insured retentions, or losses arising from events not covered by insurance policies, could have a material adverse effect on Duell's business, financial condition and/or results of operations.

Risks Related to Financial Condition and Financing

Duell has substantial amounts of debt, which may limit its financial and operational flexibility.

As at August 31, 2023, Duell's net debt amounted to EUR 38,248 thousand, compared to EUR 44,571 thousand as at August 31, 2022. As at August 31, 2023, Duell's interest-bearing liabilities amounted to EUR 40,634 thousand, compared to EUR 48,638 thousand as at August 31, 2022. Duell's ability to manage and reduce its level of indebtedness depends on its ability to generate profits and operational cash flows, which, in turn, are dependent, among other things, on the Company's ability to grow its business and achieve its strategic goals, manage its fixed costs, optimize its net working capital and successfully implement its cost savings program.

A high level of indebtedness could have significant consequences for Duell and its shareholders, including that Duell may be required to dedicate a substantial portion of its operational cash flows to service its debt obligations, which would reduce the cash available for its operating activities and capital expenditures, working capital and other purposes, including dividend payments. The level of Duell's indebtedness could also increase its vulnerability to adverse general economic and industry conditions and limit its flexibility to plan for or react to changes in the market and could place Duell at a competitive disadvantage relative to less leveraged competitors and competitors that have greater access to capital resources. For example, Duell's indebtedness and capital structure as well as access to financing and costs of financing and capital may adversely affect Duell's possibility to implement its strategy efficiently and profitably. In addition, Duell's customers may question Duell's creditworthiness and use alternative suppliers.

Duell's level of indebtedness could also limit its ability to obtain additional financing or to refinance existing indebtedness. Possible adverse developments in the credit markets and other possible adverse developments, such as the high inflation, further deterioration of the overall financial markets and a weakening of overall economic environment, could have a material adverse effect on Duell's ability to borrow additional funds as well as the cost and other terms of funding. See "*Risks Related to the Environment in which Duell Operates—Duell is exposed to macroeconomic risks and other macro trends that could reduce demand for its products*" above. The failure to obtain sufficient funding for operations or the increased costs or unfavorable terms of financing could have a material adverse effect on Duell's business, financial condition and results of operations as well as its ability to implement its strategy. Hence, there can be no assurance that Duell will be able to secure financing to a sufficient extent and on competitive terms, or at all, to finance its business and investments. Furthermore, there can be no assurance that Duell will be able to incur additional debt and/or refinance its existing debt when it matures.

If Duell is unable to generate sufficient profitability or cash flows or otherwise obtain funds necessary to make required payments and amortize its debt, it would be in default under the terms of its financing arrangements. Such a default would allow creditors of such financing to accelerate its maturity. See also “*If Duell is not able to comply with the financial covenants included in its financing agreements and other loans, it could have a material adverse effect on its financial condition*” below. If Duell is unable to incur additional debt and/or refinance its existing debt when it matures, whether it is accelerated or not, Duell could be forced to apply for insolvency proceedings, and, ultimately, shareholders could lose their investment in the Company.

If Duell is not able to comply with the financial covenants included in its financing agreements and other loans, it could have a material adverse effect on its financial condition.

The Facilities Agreement and the Amended and Restated Facilities Agreement (as defined below) include certain customary financial covenants, such as gearing, leverage (the ratio of net debt to adjusted EBITDA) and EBITDA. For further information on covenants, see “*Business—Capital Resources and Liabilities—Liabilities.*” As Duell was not able to meet the covenants of the Facilities Agreement at the end of the financial year ended August 31, 2023, due to weaker profitability, Duell received a waiver from Nordea stating that despite Duell not meeting the financial covenants, the Facilities Agreement will continue to be in force in accordance with the original repayment schedule. In the Amendment and Restatement Agreement (as defined below), Duell and Nordea renegotiated certain terms and conditions of the Facilities Agreement, including the financial covenants, and with the Amendment and Restatement Agreement, Nordea waived the financial covenants for the quarter ended November 30, 2023, and the quarter ending February 29, 2024. The Amendment and Restatement Agreement and the Amended and Restated Facilities Agreement are conditional upon the fulfillment of certain conditions related to the Offering, such as completing the Offering with proceeds of at least EUR 15 million no later than on February 28, 2024, and if the conditions are not fulfilled, the Amendment and Restatement Agreement will be canceled and the Facilities Agreement will be applied as if the Amendment and Restatement Agreement had not been entered into. There can be no assurance that Duell would be able to comply with the covenants or with other material provisions of its contractual obligations in the future, or Duell may need additional security, waivers or collateral to maintain its external financing. A breach of any of the covenant, or inability to get waivers from the covenant obligations, in Duell’s financing agreements may lead to the premature acceleration of debt paydown or cancellation of financing, which would materially weaken Duell’s financial position and increase its costs of financing. As a result, there can be no assurance that Duell’s financing and sources of financing will, at all times, be sufficient to satisfy its business and liquidity needs, in particular if a breach of any covenant would lead to the premature acceleration of debt paydown or cancellation of financing. If a significant portion of Duell’s indebtedness would become repayable on demand, and Duell does not have sufficient funds to repay its debts, Duell could be forced to apply for insolvency proceedings, and, ultimately, shareholders could lose their investment in the Company.

Fluctuations in foreign exchange and interest rates could have a material adverse effect on Duell.

Due to the international nature of its business, Duell is exposed to transactional and translation risks. Transactional risks arise when the trade currency of the goods and products is other than the domestic currency of the Company and its subsidiaries. Translation risks arise when the funds of the subsidiaries held in different currencies are translated into the Company’s operating currency, the euro. Duell is exposed to translation risk related to the Swedish krona, the Norwegian krone, the British pound sterling and the Danish krone, as these are domestic currencies. Duell is exposed to transaction risk related to the euro, the Swedish krona, the Norwegian krone, the British pound sterling and the U.S. dollar.

Of Duell’s net sales for the financial year ended August 31, 2023, 71 percent was generated in euros, 17 percent in Swedish kronor, 6 percent in British pound sterling and 5 percent in Norwegian kroner. Of Duell’s costs for the financial year ended August 31, 2023, 76 percent was in euros, 20 percent in U.S. dollars, 2 percent in New Taiwan dollars, 1 percent in Swedish kronor, 1 percent in Canadian dollars, 1 percent in British pound sterling and 1 percent in Norwegian kroner. Duell’s estimates and projections concerning its future may be based on exchange rate projections that might prove incorrect. Duell applies a currency hedge, which relates to hedging of the foreign currency payment of the deferred purchase price relating to the TranAm Acquisition (approximately GBP 4.9 million). Duell does not apply currency hedges other than the currency hedge related to the deferred purchase price relating to the TranAm Acquisition. The fair value effect is not recognized in Duell’s consolidated income statement. Exchange rate fluctuations may, thus, have a material adverse effect on Duell’s financial condition and/or results of operations.

As at August 31, 2023, Duell’s interest-bearing liabilities amounted to EUR 40,634 thousand, of which floating rate liabilities amounted to EUR 34,346 thousand. Increases in interest rates could have a material direct effect on the costs of available funding and Duell’s existing financing costs. An increase in interest rates could, thus, have an effect on the costs of Duell’s debt financing in the future. Interest rates may rise for numerous different reasons beyond Duell’s control, such as actions and decisions of states and central banks.

Credit losses could have an unfavorable effect on Duell's operating results.

Duell is exposed to credit and counterparty risk in its business, for example, in relation to customers and suppliers. Credit and counterparty risk refers to the risk of the counterparty being unable or unwilling to fulfill its obligation to Duell, which may result in credit loss. Credit and counterparty risk related to Duell's customers and suppliers arises from outstanding receivables or long payment terms. Duell has recorded credit losses of approximately EUR 536 thousand for the financial year ended August 31, 2023, and approximately EUR 96 thousand for the financial year ended August 31, 2022, and there is no assurance that Duell will not be exposed to higher credit losses in the future. For example, economic downturns have an adverse effect on Duell's customer operations, and they may continue to exert further adverse effects in the future (see also "*Risks Related to the Environment in which Duell Operates—Duell is exposed to macroeconomic risks and other macro trends that could reduce demand for its products*" above). Duell has a wide and diversified dealer network comprising both offline and online dealers, and Duell's customers could be forced to close their stores or cease their operations. As at August 31, 2023, Duell's trade receivables amounted to EUR 15,758 thousand, of which overdue trade receivables accounted for EUR 2,161 thousand, of which EUR 857 thousand were trade receivables that were overdue less than 30 days. Financial and operational challenges experienced by Duell's customers could affect Duell's ability to collect outstanding receivables fully, or at all, which could have a material adverse effect on Duell's financial condition and/or results of operations.

Duell's tax costs could increase as a result of changes to tax laws or their application or as a result of a tax audit.

Duell's tax burden depends on certain tax laws and regulations and their application and interpretation (for example, with regard to transfer pricing rules). Changes in tax laws and regulations or their interpretation and application may increase Duell's tax costs to a significant degree, which could have an adverse effect on Duell's financial condition and/or results of operations. In addition, certain other factors may affect Duell's tax rate. For example, goodwill amortization is not tax deductible. Furthermore, Duell may at times be subject to tax audits conducted by national tax authorities. Duell has, for example, on October 26, 2023, received information from the Finnish tax authority that a tax audit focusing on value added taxation of financial years ended August 31, 2022, and August 31, 2023, will be conducted in the Company. Tax audits or other auditing measures carried out by tax or other authorities, such as customs officials, could result in an imposition of additional taxes (such as income taxes, taxes at source and property, capital, transfer and value-added taxes), which could lead to an increase in Duell's tax liability.

Potential future impairment charges related to goodwill could have a material adverse effect on Duell's financial condition and results of operations.

As at August 31, 2023, the Company's consolidated balance sheet included EUR 21,345 thousand of goodwill and the Company's consolidated equity was EUR 36,883 thousand. If Duell identifies any indication of impairment of goodwill, Duell performs a more detailed impairment assessment. If results of the assessment are unfavorable, Duell may need to recognize impairment charges. Furthermore, as M&A transactions are part of Duell's growth strategy, material amounts of goodwill may be recorded in Duell's balance sheet in connection with such M&A transactions. If Duell is required to recognize any significant impairment charges related to goodwill in the future, depending on the amounts of the impairments, it could have a material adverse effect on Duell's financial condition and/or results of operations.

Risks Related to the Shares

The amount of any dividends paid by the Company in any given financial year is uncertain.

The majority of Duell's assets are owned by, and Duell's external sales are generated through, the Company's subsidiaries, whereas the Company is Duell's parent company with the responsibility to manage group-level administration and treasury as well as financing operations, for example. As the Company does not generate any external sales of its own, the Company's ability to pay dividends will depend upon the level of income to be derived from fees paid by subsidiaries for certain internal services of the Group, group contributions, dividend payments and interest income, if any, received from its operating subsidiaries and its level of cash balances. Under the provisions of the Finnish Companies Act, the amount distributed by the Company as dividends may not exceed the amount of distributable funds shown on its latest unconsolidated parent company audited financial statements adopted by the general meeting of shareholders. Any possible distribution of dividends in respect of a financial period depends on the Company's and its subsidiaries' results of operations, financial condition, cash flow, need for working capital, investments, future outlook, terms of its financing agreements and other factors. Under the Finnish Companies Act, the distribution of dividends is not permitted if it would jeopardize the Company's solvency. The Board of Directors of the Company adopted a dividend policy for the Company in 2021. Notwithstanding this policy, the Company will evaluate the preconditions for the distribution of dividends annually, taking into consideration a number of factors, including Duell's capital structure, future net sales, profits, financial position, general economic and business conditions, and future prospects; the ability of the Company's subsidiaries to pay dividends or otherwise transfer funds to the Company; and such other factors as the Board of Directors of the Company may deem relevant. The annual general meeting of shareholders of the Company resolved on December 15, 2023, that no dividend will be paid in respect of the financial year ended August 31, 2023. No dividend was paid by the Company for

the financial year ended August 31, 2022. The amount of any dividends paid by the Company in any given financial year is, thus, uncertain and the amount of dividends to be distributed on a single year may differ significantly from the target level set in the dividend policy. Further, the dividends paid by the Company for certain financial periods are not an indication of the dividends to be paid for any financial periods in the future, if any. See also “*Dividends and Dividend Policy.*”

The interests of major shareholders may differ from those of other shareholders.

As at the date of this Offering Circular, Hartwall Capital is the largest shareholder in the Company with a holding of approximately 26.1 percent of the Existing Shares, and Sponsor Capital the second largest shareholder in the Company with a holding of approximately 10.1 percent of the Existing Shares. See “*Major Shareholders.*” Duell has received irrevocable Subscription Commitments from Hartwall Capital and Sponsor Capital, each separately, to subscribe for the *pro rata* amount of the Offer shares based on the Subscription Rights allocated in the Offering, and to pay the Subscription Price for such Offer Shares (either by itself and/or on behalf of its controlled entity) under certain customary conditions. In addition, Hartwall Capital has entered into the Subscription Guarantee Undertaking with Duell pursuant to which it has committed, subject to certain terms and conditions, to subscribe for the Offer Shares that may remain unsubscribed in the Offering, up to a maximum of EUR 13.6 million. As such, Hartwall Capital and Sponsor Capital will continue to have significant ownership in the Company after completion of the Offering and they may be able to affect, among other things, the composition of the Board of Directors of the Company and the distribution of dividends. Hartwall Capital and Sponsor Capital may also have the ability to block decisions required to be made at the general meeting of the shareholders of the Company, including, among other things, the approval of the financial statements and decisions regarding changes to articles of association and certain corporate transactions, such as mergers and demergers. In addition, Hartwall Capital’s share of ownership may increase significantly from the current if it subscribes for the Offer Shares based on the Subscription Guarantee Undertaking or the Secondary Subscription Right. See also “—*The companies listed on the First North Growth Market are subject to less extensive securities market regulation than companies listed on regulated markets, and, therefore, investing in such companies may contain more risks than investing in companies listed on regulated markets*” below.

There can be no assurance that the interests of the major shareholders will correspond with those of other shareholders of the Company.

Future share issues and sales of significant number of Shares may reduce the price of the Shares and the future share issues may dilute the share of ownership of the current shareholders.

The issuance or sale of a significant number of Shares or an understanding that such an issuance or sale may occur in the future, could have an adverse effect on the market price of the Shares and on the Company’s ability to raise funds through share issues in the future. In addition, should the Company require further equity financing, the Company may organize share issues with pre-emptive subscription rights for the shareholders or directed share issues deviating from the shareholders’ pre-emptive subscription rights, if the general meeting of shareholders provides an authorization. Any possible future directed share issue or a rights issue where any existing shareholders decide not to exercise their subscription rights, could dilute shareholders’ relative share of Shares and votes.

Holders of nominee-registered Shares cannot necessarily exercise their voting rights.

The holders of nominee-registered Shares cannot necessarily exercise their voting rights unless their ownership has been temporarily registered under their own name in Euroclear Finland prior to the Company’s general meeting of shareholders. The Company cannot give any assurances that the holders of nominee-registered Shares would receive a notice to the general meeting of shareholders in time to instruct their account operators to either temporarily register their Shares or otherwise exercise their voting rights as the actual owners wish. See “*The First North Growth Market and the Finnish Securities Markets—Finnish Book-entry Securities System.*”

The companies listed on the First North Growth Market are subject to less extensive securities market regulation than companies listed on regulated markets, and, therefore, investing in such companies may contain more risks than investing in companies listed on regulated markets.

The First North Growth Market is a multilateral trading facility operated by Nasdaq Helsinki. The companies listed on the First North Growth Market are subject to less extensive regulation than companies listed on regulated markets and, therefore, regulation on, for example, provisions on notification of major shareholdings and mandatory public tender offers in the Finnish Securities Markets Act do not apply as at the date of this Offering Circular to securities admitted to trading on the First North Growth Market. Due to these and other differences in regulation, the companies listed on the First North Growth Market and the rights and obligations of their shareholders differ from the rights and obligations of the companies on regulated markets and their shareholders. Investing in a company listed on the First North Growth Market may contain more significant risks than investing in a company listed on a regulated market.

Risks Related to the Subscription Rights and the Offering

A shareholder's ownership will be diluted if the shareholder does not exercise the Subscription Rights, and the Subscription Rights could lose all their value.

Should a shareholder choose not to exercise its Subscription Rights or if a shareholder and the securities broker employed by the shareholder do not meet the requirements detailed in “*Terms and Conditions of the Offering*,” the Subscription Rights shall expire and the investor may not necessarily receive any compensation for them. In such a case, the shareholder’s relative ownership and share of voting rights carried by the Shares will be diluted correspondingly. In the event that existing shareholders of the Company do not subscribe for Offer Shares in the Offering (except for the Subscription Commitments and the Subscription Guarantee Undertaking), their total holdings in the Company would be diluted by 97.1 percent, assuming that the Company will issue 1,008,000,642 Offer Shares. Even if the shareholder decided to sell the Subscription Rights, that the shareholder has not exercised, or even if these Subscription Rights were sold in the name of the shareholder, the payment received for the Subscription Rights in the markets will not necessarily correspond with the direct dilution attributable to the execution of the Offering.

The Offering may not be fully subscribed for and the Company may not complete the Offering.

The Company has received irrevocable Subscription Commitments from Hartwall Capital, Sponsor Capital and the other shareholders listed in Annex A to this Offering Circular, representing in aggregate approximately 37.5 percent of the Existing Shares, each separately, to subscribe for the *pro rata* amount of the Offer Shares based on the Subscription Rights allocated in the Offering, and to pay the Subscription Price for such Offer Shares (either by itself and/or on behalf of its controlled entity) under certain customary conditions. In addition, Hartwall Capital has entered into the Subscription Guarantee Undertaking with Duell pursuant to which it has committed, subject to certain terms and conditions, to subscribe for the Offer Shares that may remain unsubscribed in the Offering, up to a maximum of EUR 13.6 million. The Subscription Guarantor’s obligations under the Subscription Guarantee Undertaking Agreement (as defined below) are subject to certain conditions, such as the Amendment and Restatement Agreement and the Amended and Restated Facilities Agreement with Nordea remaining in force and unchanged, and no change, fact or circumstance having occurred on or after the date of the Subscription Guarantee Undertaking Agreement, which taken as a whole, would result in a material adverse change or a change having a material adverse effect on the business, results, operations or financial condition of the Company and its subsidiaries. The Subscription Commitments or the Subscription Guarantee Undertaking include customary terms and conditions and do not include security for the fulfilment of the obligations under the Subscription Commitments or the Subscription Guarantee Undertaking. If the Subscription Commitments and/or the Subscription Guarantee Undertaking would no longer be in force and the Company could not otherwise complete the Offering in full, the Company would not complete the Offering. In addition, the Placement Agreement related to the Offering includes certain customary terms and conditions. If one or more of the terms and conditions of the Placement Agreement are not met, the Placement Agreement may not be entered into force or it may be terminated, as a result of which the Offering will not be completed. See “*Plan of Distribution*.” There can be no assurance that the Offering will be fully subscribed for and that the Offering will be completed. In such an event, Duell could be required to seek for additional sources of financing in order to strengthen its balance sheet and execute its strategy. If Duell is unable to obtain new sources of financing, Duell could be forced to apply for insolvency proceedings, and, ultimately, shareholders could lose their investment in the Company.

Investors do not have the right to cancel the use of Subscription Rights or subscription of the Offer Shares pursuant to the Secondary Subscription Right or sales and other transfers of Interim Shares

Subscriptions made in the Offering as well as sales and other transfers of Interim Shares are binding and may not be withdrawn, invalidated or changed, except in the special cases mentioned in “*Terms and Conditions of the Offering—Withdrawal of Subscriptions*.” In such event, the withdrawal right is conditional on that a new significant factor, material mistake or material inaccuracy, in accordance with the Prospectus Regulation, has emerged or was noted prior to the end of the Subscription Period or the delivery on the book-entry account of the subscriber of the Offer Shares or the Interim Shares that are subject to the withdrawal (whichever occurs earlier). The Offer Shares subscribed for pursuant to the exercise of the Subscription Rights will be recorded on the subscriber’s book-entry account as Interim Shares equivalent to the Offer Shares after the subscription has been effected. The Offer Shares are paid for in connection with the subscription. The sales and other transfers of Interim Shares are paid in connection with the transaction in question. Therefore, the investors must make their investment decisions before the final outcome of the Offering is known.

Should the Offering be cancelled, the Subscription Rights would have no value.

Should the Board of Directors decide not to carry out the Offering, for example, if carrying out the Offering is not in the Company’s interest, the Subscription Price will be refunded to the holders of Interim Shares and to the subscribers of Offer Shares without Subscription Rights. See also “*Terms and Conditions of the Offering—Approval of Subscriptions and Publication of the Outcome in the Offering*.” In the event that the Offering would be cancelled, the unused Subscription Rights could not be exercised and the Offer Shares could not be subscribed for pursuant to the Secondary Subscription Right and the Subscription Rights would have no value, which could cause losses to the investors who have acquired

Subscription Rights from the market. Correspondingly, the investors who have acquired Interim Shares from the market may incur losses if the Subscription Price that is refunded in connection with a cancellation of the Offering is lower than the price paid by the investor for the Interim Shares.

The market price of the Subscription Rights and the Offer Shares could fluctuate considerably and the price of the Offer Shares could fall below the Subscription Price.

Duell will apply for the listing of the Subscription Rights, Interim Shares and Offer Shares on the First North Growth Market. The market price of the Subscription Rights, the Interim Shares and the Offer Shares could be subject to significant fluctuations due to a change in sentiment in the market regarding the Subscription Rights, the Offer Shares or similar securities, and in response to various facts and events, including any variations in the Company's results of operations and business developments. The Interim Shares will not be fungible with the Company's new Shares. The Interim Shares will be combined with the Company's existing share class on or about January 3, 2024. In addition, if the Offering would be cancelled, the Subscription Rights could not be exercised and would have no value. These factors may have an adverse effect on the market price and liquidity of the Interim Shares or the Subscription Rights. Further, stock markets may from time to time experience significant price and volume fluctuations that may be unrelated to the Company's operating performance or prospects. Any of these factors could result in a decline in the market price of the Offer Shares below the Subscription Price and/or result in there being no demand for the Subscription Rights.

Shareholders may not necessarily be able to exercise their subscription rights.

Under Finnish legislation, shareholders have specific subscription rights in proportion to their holdings when the Company issues new shares or securities entitling the subscription of new shares. Certain shareholders of the Company who reside or will reside in, or whose registered address is located in, certain countries other than Finland may not be able to exercise their Subscription Rights in the Offering or in possible future share issues, unless the Shares have been registered according to the securities legislation of the country in question or in an otherwise similar manner, or unless a derogation from the registration or other equivalent regulations provided in the applicable legislation is available. In addition, if a shareholder's Subscription Rights are on an equity savings account, the Finnish Act on Equity Savings Account (680/2019, as amended), may restrict the shareholders' ability to fully exercise their Subscription Rights. This may lead to the dilution of such shareholders' ownership in the Company. Further, if the number of shareholders who are not able to exercise their Subscription Rights is high and if the Subscription Rights of such shareholders are sold on the market, it could have an adverse effect on the price of the Subscription Rights. A foreign shareholder's right to have access to information concerning share issues and important transactions may also be restricted due to the legislation of the country in question. See "*Description of the Shares and Share Capital—Shareholder Rights.*"

CERTAIN MATTERS

Statement Regarding Information in this Offering Circular

The Company is responsible for the information included in this Offering Circular. To the best of the Company's knowledge, the information contained in this Offering Circular is in accordance with the facts and this Offering Circular makes no omission likely to affect its import.

December 5, 2023

Duell Corporation

Special Cautionary Notice Regarding Forward-looking Statements

This Offering Circular contains forward-looking statements about Duell that are not historical facts, but statements about future expectations. When used in this Offering Circular, the words "aims," "anticipates," "assumes," "believes," "could," "estimates," "expects," "intends," "may," "plans," "should," "will," "would" and similar expressions as they relate to Duell or its management, identify certain of these forward-looking statements. Other forward-looking statements can be identified in the context in which the statements are made. Forward-looking statements are set forth in a number of places in this Offering Circular, including in the sections "*Summary*," "*Risk Factors*," "*Dividends and Dividend Policy*," "*Reasons for the Offering and Use of Proceeds*," "*Capitalization and Indebtedness*" and "*Business*" and wherever this Offering Circular includes information on the future results, plans and expectations with regard to Duell, the future growth and profitability of Duell and the future general economic conditions to which Duell is exposed.

No Incorporation of Website Information

The Finnish Prospectus will be published on Duell's website at sijoittajat.duell.eu/merkintaoikeusanti_2023 and this Offering Circular at investors.duell.eu/rightsoffering_2023 no later than December 7, 2023, before the commencement of the Subscription Period.

This Offering Circular, the documents incorporated by reference as well as possible supplements to this Offering Circular that will form a part of this Offering Circular will be published on Duell's website. However, other information provided on Duell's website or any other website, do not form a part of this Offering Circular, and prospective investors should not rely on such information in making their decision to invest in the Offer Shares.

Presentation of Financial Information

Historical Financial Statements

The financial information included in this Offering Circular has been derived from the Audited Consolidated Financial Statements that have been incorporated by reference into this Offering Circular, excluding the unaudited historical financial information as at October 31, 2023, under "*Capitalization and Indebtedness*." Financial information and measures presented into this Offering Circular have been derived or calculated from the Audited Consolidated Financial Statements prepared in accordance with the Finnish Accounting Standards (FAS). The financial information presented in this Offering Circular has been prepared in accordance with FAS.

Duell's audited consolidated financial statements as at and for the financial years ended August 31, 2023 and 2022, have been audited by KPMG, Authorized Public Accountants, with Mari Kaasalainen, Authorized Public Accountant, as the auditor with principal responsibility. Mari Kaasalainen is registered in the Finnish Register of Auditors pursuant to Chapter 6, Section 9 of the Finnish Auditing Act maintained by the Trade Register.

Alternative Performance Measures

Duell presents in this Offering Circular certain performance measures of historical financial performance, financial position and cash flows, which are not accounting measures defined or specified in FAS but are alternative performance measures in accordance with the "*Alternative Performance Measures*" guidance by the European Securities and Markets Authority (together, the "**Alternative Performance Measures**").

These Alternative Performance Measures are:

- Net sales growth;
- constant currency net sales growth;
- organic constant currency net sales growth;
- gross margin;
- gross margin, percent;
- EBITDA;
- EBITDA margin;
- items affecting comparability;

- adjusted EBITDA;
- adjusted EBITDA margin;
- EBITA;
- EBITA margin;
- adjusted EBITA;
- adjusted EBITA margin;
- operating profit margin;
- adjusted operating profit;
- adjusted operating profit margin;
- earnings per Share, basic;
- earnings per Share, diluted;
- number of outstanding Shares at the end of the period, basic;
- number of outstanding Shares at the end of the period, diluted;
- weighted average number of Shares, basic;
- weighted average number of Shares, diluted;
- investments in tangible assets and intangible assets excluding acquisitions;
- net debt;
- net working capital;
- operating free cash flows;
- number of brands;
- share of own brand sales, percent of total net sales;
- share of online sales, percent of total net sales;
- equity ratio;
- return to equity;
- full time equivalent employees, average;
- gearing; and
- leverage.

For more information on the reasons for the use of the Alternative Performance Measures and detailed calculation formulas of the Alternative Performance Measures, see “*Selected Consolidated Financial Information.*”

Duell presents Alternative Performance Measures as additional information to financial measures presented in the consolidated income statement, consolidated balance sheet and consolidated statement of cash flows prepared in accordance with FAS. In Duell’s view, the Alternative Performance Measures provide the management and investors, securities analysts and other parties with significant additional information related to Duell’s results of operations, financial condition or cash flows and are widely used by analysts, investors and other parties.

The Alternative Performance Measures should not be considered in isolation or as substitute to the measures under FAS. All companies do not calculate Alternative Performance Measures in a uniform way, and, therefore, the Alternative Performance Measures presented in this Offering Circular may not be comparable with similarly named measures presented by other companies. The Alternative Performance Measures presented in this Offering Circular are unaudited.

Other Historical Financial Information

This Offering Circular also includes certain Duell’s historical financial information and Alternative Performance Measures for the financial years ended August 31, 2021, 2020 and 2019. Such financial information and Alternative Performance Measures presented have been derived or calculated from the audited consolidated financial statements as at and for the financial years ended August 31, 2021, 2020 and 2019, prepared in accordance with FAS, which were prepared for the Company under its previous name, Sponbike Oy.

Information Derived from Third-party Sources

This Offering Circular contains estimates regarding the market position of Duell that cannot be gathered from publications by market research institutions or any other independent sources. In many cases, there is no publicly available information on such data, for example from industry associations, public authorities or other organizations and institutions. The Company believes that its internal estimates of market data and information derived therefrom and included in this Offering Circular are helpful in order to give investors a better understanding of the industry in which Duell operates as well as its position within this industry. Although the Company believes that its internal market estimates are fair, they have not been reviewed or verified by any external experts and the Company cannot guarantee that a third-party expert using different methods would obtain or generate the same results.

Certain Other Information

Financial information set forth in this Offering Circular has been rounded. Accordingly, in certain instances, the sum of the numbers in a column or row may not conform exactly to the total amount given for that column or row.

All references in this Offering Circular to the “**British pound sterling**” and “**GBP**” refer to the currency of the United Kingdom of Great Britain and Northern Ireland, those to the “**Canadian dollar**” and “**CAD**” refer to the currency of Canada, those to the “**Danish krone**” and “**DKK**” refer to the currency of the Kingdom of Denmark, those to the “**euro**” and “**EUR**” refer to the currency of Economic and Monetary Union of the EU, those to the “**New Taiwan dollar**” and “**TWD**” refer to the currency of Taiwan, those to the “**Norwegian krone**” and “**NOK**” refer to the currency of the Kingdom of Norway, those to the “**Swedish krona**” and “**SEK**” refer to the currency of the Kingdom of Sweden, and those to the “**U.S. dollar**” and “**USD**” refer to the currency of the United States of America.

CERTAIN IMPORTANT DATES RELATING TO THE OFFERING

| | |
|---|-------------------------------|
| Record Date of the Offering..... | December 4, 2023 |
| Subscription Period of the Offering commences | December 7, 2023 |
| Trading in the Subscription Rights commences on the First North Growth Market..... | on or about December 7, 2023 |
| Trading in the Interim Shares commences on the First North Growth Market..... | December 8, 2023 |
| Trading in the Subscription Rights ends on the First North Growth Market | December 15, 2023 |
| The Subscription Period of the Offering ends and unexercised Subscription Rights expire without value | December 21, 2023 |
| Announcement of the preliminary results of the Offering | on or about December 27, 2023 |
| Announcement of the final results of the Offering | on or about December 29, 2023 |
| Trading in the Interim Shares ends on the First North Growth Market | on or about January 2, 2024 |
| The Offer Shares are registered in the Trade Register | on or about January 2, 2024 |
| The Offer Shares subscribed for in the Offering are recorded in the book-entry accounts of investors | on or about January 3, 2024 |
| Trading in the Offer Shares commences on the First North Growth Market..... | on or about January 3, 2024 |

DIVIDENDS AND DIVIDEND POLICY

The Board of Directors of the Company adopted a dividend policy in 2021 pursuant to which the Company aims to distribute annually growing dividend, which is on an annual basis at least 30 percent of its reported net profit. The Board of Directors of the Company estimates annually the balance between dividends to be distributed and funds to be used for Duell's growth and based on this assessment, makes a proposal on the amount of dividends to be distributed, which may for any single year differ significantly from the target level set in the dividend policy.

The annual general meeting of shareholders of the Company resolved on December 15, 2023, that no dividend will be paid in respect of the financial year ended August 31, 2023. No dividend was paid by the Company for the financial year ended August 31, 2022. No dividend has been paid by the Company since the adoption of the dividend policy. See "*Certain Matters—Presentation of Financial Information*" and "*Description of the Shares and Share Capital—Shareholder Rights—Dividends and Other Distributions of Funds*."

The payment of dividends, if any, by the Company and the amounts and timing thereof will depend on a number of factors, including Duell's capital structure, future net sales, profits, financial position, general economic and business conditions, and future prospects; the ability of the Company's subsidiaries to pay dividends or otherwise transfer funds to the Company; and such other factors as the Board of Directors of the Company may deem relevant.

There can be no assurance that a dividend will be declared in any given year. If a dividend is declared, there can be no assurance that the dividend amount or the dividend payout ratio will be as described above. Moreover, any dividend paid in a given year will not be indicative of any dividends to be paid in any subsequent year. If any dividend is distributed, all of the Shares will be entitled to the same dividend.

In accordance with the prevailing practice in Finland, dividends on shares in a Finnish limited liability company, if any, are generally declared once a year. Dividends may be paid and unrestricted equity may be otherwise distributed after the general meeting of shareholders has adopted the company's financial statements and resolved on the amount of dividend or other distribution of unrestricted equity based on the proposal by the Board of Directors of the company. Pursuant to the Finnish Companies Act, the payment of a dividend or other distribution of unrestricted equity may also be based on financial statements other than those for the preceding financial year, provided that such financial statements have been adopted by the general meeting of shareholders. If the company has an obligation to elect an auditor pursuant to law or its articles of association, such financial statements must be audited. The payment of a dividend or other distribution of unrestricted equity requires the approval of the majority of the votes cast at a general meeting of shareholders of the company. Pursuant to the Finnish Companies Act, the general meeting of shareholders may also authorize the Board of Directors to decide upon payment of dividends and other distribution of unrestricted equity. The amount of dividend or other distribution of unrestricted equity cannot exceed the amount resolved by the general meeting of shareholders. The amount of any dividend or other distribution of unrestricted equity is limited to the amount of distributable funds of the company stated in the financial statements upon which the decision to pay dividends or otherwise distribute unrestricted equity are based, subject to any material changes in the financial position of the company since the financial statements were prepared. Distribution of funds, whether by way of dividend or other distribution of unrestricted equity, is prohibited if it is known, or it should be known, at the time such decision is made that the company is insolvent or that such distribution would cause the company to become insolvent.

Dividends paid to shareholders who are non-residents of Finland will generally be subject to Finnish withholding tax. Currently, the withholding tax rate is 20 percent of the dividend paid to non-resident corporate entities and 30 percent for all other non-residents. The amount of withholding tax may be reduced pursuant to an applicable tax treaty to which Finland is a party. For a summary of certain tax consequences for shareholders, see "*Taxation*."

REASONS FOR THE OFFERING AND USE OF PROCEEDS

Reasons for the Offering

The objective of the Offering is to strengthen Duell's capital structure and to ensure its ability to implement its strategy in the current operating environment shaped by the high inflation, decreased customer demand and generally lower market activity following the Russian invasion of Ukraine. Following the aforementioned changes in the operating environment, Duell's profitability has decreased and subsequently its net debt to adjusted EBITDA ratio has increased (7.0 on August 31, 2023, and 4.7 on August 31, 2022). The Offering is further aimed at facilitating the payment of the deferred purchase price relating to the TranAm Acquisition and enabling the Company to meet the covenants of the Amended and Restated Facilities Agreement (as defined below). Through the Offering, the Company seeks to strengthen its balance sheet and financial position in order to allow the Company to better manage its financial liabilities and to strengthen the profitability of operations and cash flows. The objective of the Offering is also to facilitate the execution of the Company's strategy of aiming to expand the operations in Europe, improve the position of online business and develop the brand portfolio.

To this end, the Offering pursuant to the shareholders' pre-emptive subscription right of up to 1,008,000,642 Offer Shares at a subscription price of EUR 0.02 per Offer Share in order to raise approximately EUR 17.7 million in net proceeds is intended to ensure Duell's ability to operate in the changed operating environment and to implement its strategy.

Use of Proceeds

The Company aims to raise gross proceeds of approximately EUR 20.2 million and net proceeds of approximately EUR 17.7 million by offering Offer Shares for subscription. The Company aims to use the net proceeds received from the Offering to strengthen its balance sheet by repaying EUR 2.5 million of its debt under the Facilities Agreement to pay out the deferred purchase price relating to the TranAm Acquisition (approximately GBP 4.9 million) approximately during the first quarter of calendar year 2024, and to facilitate the execution of the Company's strategy of aiming to expand the operations in Europe, improve the position of online business and develop the brand portfolio. The Company's intention is to prioritize current internal efficiency measures to ensure improved profitability and efficient net working capital, and it will not prioritize larger acquisition opportunities until the operating environment is more supportive for them.

CAPITALIZATION AND INDEBTEDNESS

The following table sets forth Duell’s capitalization and indebtedness as at October 31, 2023, (i) on an actual basis and (ii) as adjusted to reflect the net proceeds of the Offering, the deferred purchase price relating to the TranAm Acquisition and the additional repayment of EUR 2.5 million under the Amended and Restated Facilities Agreement (as defined below) as if the Offering had been completed on October 31, 2023, and the items referred to in the footnotes of the table. When reading the table, investors should note that there can be no assurance that the Offering will be completed.

The following table should be read together with “*Selected Consolidated Financial Information*” and the Audited Consolidated Financial Statements incorporated by reference into this Offering Circular.

| | As at October 31, 2023 | |
|---|-------------------------------|------------------------------------|
| | Actual | As adjusted (unaudited) |
| | (EUR in thousands) | |
| CAPITALIZATION | | |
| Current debt (including current portion of non-current debt) | | |
| Guaranteed..... | – | – |
| Secured..... | 2,198 | 3,298 ⁽¹⁾ |
| Unguaranteed / unsecured..... | <u>6,094</u> | <u>514⁽²⁾</u> |
| Total current debt (including current portion of non-current debt)..... | 8,292 | 3,812 |
| Non-current debt (excluding current portion of non-current debt) | | |
| Guaranteed..... | – | – |
| Secured..... | 43,826 | 40,226 ⁽¹⁾ |
| Unguaranteed / unsecured..... | – | – |
| Total non-current debt (excluding current portion of non-current debt)..... | <u>43,826</u> | <u>40,226</u> |
| Shareholders’ equity | | |
| Share capital..... | 80 | 80 |
| Reserve for invested unrestricted equity..... | 32,887 | 53,087 ⁽³⁾ |
| Retained earnings..... | 3,825 | 3,825 |
| Profit (-loss) for the financial year..... | (1,292) | (3,792) ⁽³⁾ |
| Total shareholders’ equity..... | <u>35,500</u> | <u>53,200</u> |
| Total | <u>87,618</u> | <u>97,238</u> |
| NET INDEBTEDNESS | | |
| Cash and cash equivalents..... | <u>5,727</u> | <u>15,347⁽¹⁾⁽²⁾⁽³⁾</u> |
| Liquidity (A) | 5,727 | 15,347 |
| Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)..... | 6,094 | 514 |
| Current portion of non-current financial debt..... | <u>2,198</u> | <u>3,298</u> |
| Current financial indebtedness (B) | 8,292 | 3,812 |
| Net current financial indebtedness (C=B-A) | 2,565 | (11,535) |
| Non-current financial debt (excluding current portion and debt instruments)..... | 43,826 | 40,226 |
| Debt instruments..... | – | – |
| Other non-current debt..... | – | – |
| Non-current financial indebtedness (D) | <u>43,826</u> | <u>40,226</u> |
| Total financial indebtedness (C+D) | <u>46,392</u> | <u>28,692</u> |

- (1) The Company repays loans from financial institutions of an additional EUR 2,500 thousand under the Amended and Restated Facilities Agreement with net proceeds from the Offering. In addition, the bullet loan under the Facilities Agreement is converted to a loan with incremental repayments, which the Company will repay EUR 1,100 thousand per annum in six-monthly installments. Of secured non-current debt, EUR 1,100 thousand has been adjusted to secured current debt.
- (2) The Company pays out the deferred purchase price relating to the TranAm Acquisition with the net proceeds received from the Offering. In adjusted capitalization, current debt has been adjusted with EUR 5,580 thousand. Accordingly, EUR 5,580 thousand has been deducted from cash and cash equivalents.
- (3) The Company aims to raise gross proceeds of approximately EUR 20.2 million from the Offering. The net proceeds received from the Offering strengthen the Company’s capitalization by increasing the Company’s reserve for invested unrestricted equity and cash and cash equivalents with the corresponding amount. Both cash and cash equivalents and loss for the financial year have been adjusted with expenses related to the Offering (estimated to be EUR 2.5 million) which will arise and be recognized as costs after the financial year ended August 31, 2023.

No provisions have been recorded in the Company’s balance sheet as at October 31, 2023. As at October 31, 2023, the Company’s off-balance sheet rental and leasing liabilities amounted to EUR 10,880 thousand. As at October 31, 2023, the target value of the Company’s interest rate hedge amounted to EUR 4,007 thousand, the fair value of which amounted to EUR 35 thousand. As at October 31, 2023, the target value of the Company’s currency rate hedge amounted to EUR 2,835 thousand, the fair value of which amounted to EUR 21 thousand. For more information on the Company’s contingent liabilities, see the 2023 Audited Consolidated Financial Statements incorporated by reference into this Offering Circular.

There have not been material changes in the Company’s capitalization and indebtedness between October 31, 2023, and the date of this Offering Circular.

Working Capital Statement

Duell believes that the working capital available to it is sufficient for at least 12 months following the date of this Offering Circular. Duell's estimate has taken into account the net proceeds of approximately EUR 17.7 million to be raised in the Offering, which are based on the irrevocable Subscription Commitments and the Subscription Guarantee Undertaking.

TERMS AND CONDITIONS OF THE OFFERING

Overview of the Offering

On November 30, 2023, the extraordinary general meeting of shareholders of Duell Corporation (“**Duell**” or the “**Company**”) authorized the Board of Directors of the Company to decide on a new share issue of up to 2,500,000,000 shares. In the share issue, the shareholders of the Company will have a pre-emptive right to subscribe for new shares in proportion to their shareholdings in the Company. In addition, the extraordinary general meeting of shareholders authorized the Board of Directors of the Company to decide upon other terms and conditions of the share issue. The Company aims to use the net proceeds of approximately EUR 17.7 million received from the Offering (as defined below) to strengthen its balance sheet by repaying EUR 2.5 million of its debt under the facilities agreement (as amended) with Nordea Bank Abp originally dated July 29, 2021, to pay out the deferred purchase price relating to the acquisition of Tran-Am Ltd (approximately GBP 4.9 million) approximately during the first quarter of calendar year 2024, and to facilitate the execution of the Company’s strategy of aiming to expand the operations in Europe, improve the position of online business and develop the brand portfolio.

On November 30, 2023, the Board of Directors of the Company resolved, based on the authorization granted by the extraordinary general meeting of shareholders, to issue a maximum of 1,008,000,642 new shares in the Company (the “**Offer Shares**”) for consideration based on the pre-emptive subscription right of the shareholders (the “**Offering**”) as set forth in these terms and conditions.

As a result of the Offering and assuming that the Offering is fully subscribed, the total number of the shares in the Company (the “**Shares**”) will increase from 30,545,474 Shares to a maximum of 1,038,546,116 Shares. Assuming the Offering is fully subscribed, the Offer Shares represent approximately 97.1 percent of all issued and outstanding Shares and votes in the Company after the completion of the Offering.

Subscription Rights

The record date of the Offering is December 4, 2023 (the “**Record Date**”). Shareholders who are registered in Duell’s shareholders’ register maintained by Euroclear Finland Oy (“**Euroclear Finland**”) on the Record Date will receive one (1) subscription right in the form of a book-entry (the “**Subscription Right**”) for each existing Share of the Company (the “**Existing Shares**”) owned by the shareholder on the Record Date. No Subscription Rights will be allocated to the treasury Shares of Duell. See also “—*Shareholders Resident in Certain Jurisdictions*” below.

The Subscription Rights will be registered on the shareholders’ book-entry accounts on December 5, 2023, in the book-entry system maintained by Euroclear Finland.

Each one (1) Subscription Right entitles its holder to subscribe for thirty-three (33) Offer Shares at the Subscription Price (as defined below) (the “**Primary Subscription Right**”). No fractions of Offer Shares will be allotted and a Subscription Right cannot be exercised partially. Both holders of the Subscription Rights and investors who do not hold Subscription Rights may submit orders to subscribe for any Offer Shares that have not been subscribed for pursuant to the Primary Subscription Right (the “**Secondary Subscription Right**”). Offer Shares remaining unsubscribed under the Primary Subscription Right and the Secondary Subscription Right will be allocated in accordance with the Subscription Guarantee Undertaking (as defined below). See also “—*Participation of Certain Shareholders in the Offering and the Subscription Guarantee Undertaking*” and “—*Allocation of Offer Shares Subscribed for without Subscription Rights*” below.

The Subscription Rights are expected to be publicly traded on the Nasdaq First North Growth Market Finland maintained by Nasdaq Helsinki Ltd (“**Nasdaq Helsinki**”) (the “**First North Growth Market**”) from December 7, 2023, to December 15, 2023.

Upon expiry of the Subscription Period (as defined below), unexercised Subscription Rights will lapse and will be removed from the holder’s securities account without notification. If the Offering would be cancelled, the Subscription Rights could not be exercised and would have no value. See also “—*Approval of Subscriptions and Publication of the Outcome in the Offering*” and “—*Other Issues*” below as well as “*Plan of Distribution.*”

In order for the potential value of the Subscription Rights not to be lost, the holder must either:

- exercise the Subscription Rights to subscribe for the Offer Shares no later than on December 21, 2023, in accordance with instructions from the subscriber’s account operator, custodian or nominee; or
- sell the Subscription Rights that are not to be exercised no later than on December 15, 2023.

If a Share entitling to a Subscription Right is pledged or subject to any other restrictions, the Subscription Right may not necessarily be exercised without the consent of the pledgee or the holder of any other right.

Participation of Certain Shareholders in the Offering and the Subscription Guarantee Undertaking

HC DL Holding Ltd (a wholly-owned subsidiary of Hartwall Capital Ltd), whose registered address is Pohjoisesplanadi 5, FI-00170 Helsinki, Finland (“**Hartwall Capital**”), Sponsor Fund IV Ky (a fund managed by Sponsor Capital Oy), whose registered address is Mannerheimintie 4, FI-00100 Helsinki, Finland, and certain companies controlled by persons involved in the operations of Sponsor Capital Oy, representing in aggregate approximately 37.5 percent of the Existing Shares, have each separately and irrevocably committed to subscribe for the *pro rata* amount of the Offer Shares based on the Subscription Rights allocated in the Offering, and to pay the Subscription Price (as defined below) for such Offer Shares (either by itself and/or on behalf of its controlled entity) under certain customary conditions (each separately a “**Subscription Commitment**” and together, the “**Subscription Commitments**”).

Hartwall Capital (the “**Subscription Guarantor**”) has entered into an advance guarantee undertaking with Duell pursuant to which it has committed, subject to certain terms and conditions, to subscribe for the Offer Shares that may remain unsubscribed for in the Offering, up to a maximum of EUR 13.6 million, in addition to the Offer Shares that are covered by its Subscription Commitment (the “**Subscription Guarantee Undertaking**”). See “*Plan of Distribution*.”

The portion of the Offering not covered by the Subscription Commitments is fully guaranteed by the Subscription Guarantee Undertaking, subject to certain terms and conditions.

Subscription Price

The subscription price is EUR 0.02 per Offer Share (the “**Subscription Price**”).

The Subscription Price includes a calculated discount customary for rights issues, approximately 32.4 percent compared to the theoretical ex-rights price based on the closing price of the Existing Shares on the First North Growth Market on the trading day immediately preceding the decision on the Offering (November 29, 2023). The Subscription Price shall be recorded into the Company’s reserve for invested unrestricted equity.

Record Date

The Record Date of the Offering is December 4, 2023.

Subscription Period

The subscription period will commence on December 7, 2023, at 9:30 a.m. (Finnish time) and end on December 21, 2023, at 4:30 p.m. (Finnish time) (the “**Subscription Period**”). The Board of Directors of the Company is entitled to extend the Subscription Period. Any extension will be announced by the Company through a company release no later than on December 21, 2023.

Places of subscription (*i.e.*, account operators, custodians and nominees) may require their customers to submit subscription orders on specified dates and times before trading in the Subscription Rights or the Subscription Period end. Such dates and times may be different from the end in trading in Subscription Rights and the end of the Subscription Period.

Trading in Subscription Rights

Holders of the Subscription Rights may sell their Subscription Rights at any time during the public trading of the Subscription Rights. Public trading of the Subscription Rights on the First North Growth Market is expected to commence on December 7, 2023, at 10:00 a.m. (Finnish time) and it ends on December 15, 2023, at 6:30 p.m. (Finnish time). The price of the Subscription Rights on the First North Growth Market will be determined in market trading. Subscription Rights may be sold or purchased by giving a sell or purchase order to one’s own account operator, custodian or nominee.

The ISIN code of the Subscription Rights on the First North Growth Market is FI4000565619 and the trading code is “DUELLU0123.”

Subscription for Offer Shares with Subscription Rights (Primary Subscription Right)

Directly Registered Shareholders

A shareholder may participate in the Offering by subscribing for the Offer Shares by using the Subscription Rights on the shareholder’s book-entry account and by paying the Subscription Price. However, this shall not apply to shareholders resident in certain Unauthorized Jurisdictions (as defined below). Shareholders may be required in connection with any such subscription to certify that they are not in an Unauthorized Jurisdiction. In order to participate in the Offering, a shareholder must give a subscription order in accordance with the instructions provided by the shareholder’s own account operator or custodian. If a shareholder’s Subscription Rights are on an equity savings account with funds of EUR 50,000, the maximum amount permitted by Section 5 of the Finnish Act on Equity Savings Account (680/2019, as amended), the

shareholder cannot subscribe for Offer Shares with Subscription Rights before the shareholder has liquidated other investments held on their equity saving account.

Holders of Subscription Rights purchased on the First North Growth Market must submit their subscription orders in accordance with the instructions given by their own account operator or custodian.

Nominee-registered Shareholders

Shareholders and other investors participating in the Offering, whose Existing Shares or Subscription Rights are held through a nominee, must submit their subscription orders in accordance with the instructions given by their nominee or, if the holding is registered with more than one nominee, through each nominee. Subscription and payment must be made in accordance with instructions from the nominee. Banks and other nominees are required to read and comply with the restrictions described in “*Important Information*” and “*—Shareholders Resident in Certain Jurisdictions*” below. Banks, custodians and other nominees may be required in connection with any such subscription to certify that shareholders on whose behalf they are holding the Existing Shares or Subscription Rights, are not in an Unauthorized Jurisdiction.

General

Subscriptions must be submitted separately for each book-entry account. Incomplete or erroneous subscriptions may be rejected. A subscription may be rejected if the subscription payment is not made according to these terms and conditions or if such payment is incomplete. In these situations, the subscription payment will be refunded to the subscriber. No interest will be paid on the refunded amount.

Any unexercised Subscription Rights will expire without any compensation at the end of the Subscription Period on December 21, 2023, at 4:30 p.m. (Finnish time).

The Offer Shares subscribed with Subscription Rights will be recorded on the subscriber’s book-entry account on or about January 3, 2024.

Payments for the Subscriptions

The Subscription Price of the Offer Shares subscribed for in the Offering shall be paid in full in euros at the time of submission of the subscription order in accordance with the instructions given by the account operator or the custodian.

A subscription will be deemed effected only after the arrival of the subscription order at relevant account operator or custodian and of the payment of the Subscription Price in full.

Interim Shares

The Offer Shares subscribed for pursuant to the exercise of the Subscription Rights will be recorded on the subscriber’s book-entry account as interim shares equivalent to the Offer Shares (the “**Interim Shares**”) after the subscription has been effected.

In case the Offering is cancelled, the Subscription Price will be refunded to the holders of the Interim Shares. No interest will be paid on the refunded amount. See also “*—Approval of Subscriptions and Publication of the Outcome in the Offering*,” “*—Withdrawal of Subscriptions*” and “*—Other Issues*” below as well as “*Plan of Distribution*.”

The Interim Shares are combined with the Existing Shares (ISIN code FI4000513072, trading code “DUELL”) after the Offer Shares have been registered with the trade register maintained by the Finnish Patent and Registration Office (the “**Trade Register**”). The combination is expected to occur on or about January 3, 2024.

Trading with Interim Shares

The Interim Shares are freely transferable and trading with the Interim Shares on the First North Growth Market, as a separate class of securities, is expected to take place during the period from and including December 8, 2023, up to and including January 2, 2024, under the trading code “DUELLN0123”. The ISIN code of the Interim Shares is FI 4000565627.

Subscription for Offer Shares without Subscription Rights (Secondary Subscription Right)

Subscription for the Offer Shares without Subscription Rights shall be effected by a shareholder and/or other investor by submitting a subscription order and simultaneously paying the Subscription Price in accordance with the instructions provided by his/her account operator, custodian, or in case of nominee-registered holders, in accordance with instructions provided by the nominee. It may not be possible to provide a subscription on the basis of the Secondary Subscription Right via an equity savings account through certain account operators. In such event, shareholders should provide the secondary subscription via another book-entry account than the equity savings account.

The subscription assignment and payment shall be received by the shareholder's and/or investor's account operator, custodian or nominee on December 21, 2023, at the latest or on an earlier date in accordance with instructions by the account operator, custodian or nominee.

If several subscription orders are submitted in relation to a single book-entry account, the orders will be considered as one order per book-entry account.

The Offer Shares subscribed without Subscription Rights will be recorded on the subscriber's book-entry account as Shares on or about January 3, 2024.

See also "*—Approval of Subscriptions and Publication of the Outcome in the Offering,*" "*—Allocation of Offer Shares Subscribed for Without Subscription Rights,*" "*—Withdrawal of Subscriptions in Certain Circumstances*" and "*—Other Issues*" below as well as "*Plan of Distribution.*"

Approval of Subscriptions and Publication of the Outcome in the Offering

The Board of Directors of the Company will approve subscriptions pursuant to the Subscription Rights made in accordance with these terms and conditions of the Offering and applicable laws and regulations on or about December 29, 2023. In addition, the Board of Directors of the Company will, in accordance with the allocation principles set out below in "*—Allocation of Offer Shares Subscribed for without Subscription Rights,*" approve subscriptions without Subscription Rights made in accordance with these terms and conditions of the Offering and applicable laws and regulations. The Board of Directors of the Company may decide not to approve the subscriptions and not to carry out the Offering, if the Board of Directors concludes that carrying out the Offering is not in the Company's interest. In such an event the Subscription Price will be refunded to the holders of Interim Shares and the Subscription Price paid for Offer Shares subscribed without Subscription Rights will be refunded to investors that have subscribed for such Offer Shares. In the event the Offering is cancelled, the Subscription Rights cannot be exercised and have no value.

Duell will publish the final results of the Offering through a company release on or about December 29, 2023.

Allocation of Offer Shares Subscribed for Without Subscription Rights

In the event that not all the Offer Shares have been subscribed for pursuant to the exercise of the Subscription Rights, the Board of Directors of the Company shall determine the allocation of Offer Shares subscribed for without Subscription Rights as follows:

- first, to those that have subscribed for Offer Shares also pursuant to Subscription Rights. If the Offering is oversubscribed by such subscribers, the allocation among such subscribers shall be determined per book-entry account in proportion to the number of Subscription Rights exercised by a subscriber for subscription of Offer Shares and, where this is not possible, by drawing of lots;
- second, to those that have subscribed for Offer Shares without Subscription Rights only and, if the Offering is oversubscribed by such subscribers, the allocation among such subscribers shall be determined per book-entry account in proportion to the number of Offer Shares which such subscribers have subscribed for and, where this is not possible, by drawing of lots; and
- third, to the Subscription Guarantor, in accordance with, and subject to, the terms and conditions of the Subscription Guarantee Undertaking. The subscription period with respect to the Subscription Guarantor expires on December 29, 2023.

If the allocation of Offer Shares subscribed for without Subscription Rights does not correspond to the amount of Offer Shares indicated in the subscription order, the Subscription Price paid for unobtained Offer Shares will be refunded to the subscriber starting from on or about January 3, 2024. No interest will be paid on the refunded amount.

Withdrawal of Subscriptions

Any exercise of the Subscription Rights or subscription of the Offer Shares pursuant to the Secondary Subscription Right is irrevocable and may not be modified or cancelled other than as set forth below.

Where the Finnish language prospectus relating to the Offering (the "**Finnish Prospectus**") is supplemented in accordance with the Prospectus Regulation due to a significant new factor, material mistake or material inaccuracy, which may affect the assessment of the Offer Shares or the Interim Shares, investors who have subscribed for the Offer Shares before the supplement is published shall have the right to withdraw their subscriptions during a withdrawal period. Such withdrawal period shall last for at least two (2) working days from the publication of the supplement. The withdrawal right is further conditional on that the significant new factor, material mistake or material inaccuracy referred above has emerged or was noted prior to the end of the Subscription Period or the delivery on the book-entry account of the subscriber of the Offer Shares or the Interim Shares that are subject to the withdrawal (whichever occurs earlier).

The procedure regarding the withdrawal of the subscriptions will be announced together with any such supplement to the Finnish Prospectus and its English translation as a supplement to this Offering Circular through a company release. Any withdrawal of a subscription shall relate to the entire subscription of the investor. The withdrawal must be made in writing at the account operator, custodian or nominee in which the subscription order was given.

After the end of the withdrawal period, the right of withdrawal will lapse. Where a subscription is withdrawn, the Subscription Price paid will be returned to the subscriber within approximately two business days from withdrawal notification. No interest will be paid on the funds returned. If the holder of a Subscription Right or an Interim Share has sold or otherwise transferred the Subscription Right or the Interim Share, such sale or transfer cannot be withdrawn.

Shareholders Resident in Certain Jurisdictions

The granting of Subscription Rights to shareholders of the Company resident in countries other than Finland and the issuance of the Offer Shares through exercise of Subscription Rights to persons resident in countries other than Finland may be affected by securities legislation in such countries. Consequently, subject to certain exceptions, shareholders whose Existing Shares are directly registered on a securities account and whose registered address is in the United States, Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa or any other jurisdiction in which participation in the Offering would not be permissible (the “**Unauthorized Jurisdictions**”), may not receive any Subscription Rights and will not be allowed to subscribe for the Offer Shares. In Finland, each such shareholder, registered in the Company’s shareholders’ register, acting through banks, nominees, custodians or other financial intermediaries through which its Existing Shares are held, may sell part or all Subscription Rights held for its benefit to the extent permitted under contractual arrangements and applicable laws and receive the sales proceeds (less deduction of costs) on their book-entry account.

Trading in Offer Shares

Trading in the Offer Shares registered with Euroclear Finland commences on the First North Growth Market on or about January 3, 2024.

Shareholder Rights

The Offer Shares will entitle their holders to possible dividend and other distribution of funds, if any, and to other shareholder rights in Duell after the Offer Shares have been registered with the Trade Register, on or about January 2, 2024, and in the Company’s shareholder register maintained by Euroclear Finland on or about January 3, 2024. Each Offer Share entitles its holder to one vote at the general meeting of shareholders of Duell.

Costs and Expenses

No fees or expenses will be charged for the subscription of Offer Shares, and no transfer tax is payable for the subscription of Offer Shares. Account operators, custodians or securities brokers who execute subscription orders relating to the Subscription Rights may charge a commission in accordance with their own tariffs. Account operators and custodians may also charge a fee for the maintenance of a book-entry account and the custody of the Shares in accordance with their own tariffs. See also “*Taxation.*”

Applicable Law and Dispute Resolution

The Offering shall be governed by the laws of Finland. Any disputes arising in connection with the Offering shall be settled by the court of competent jurisdiction in Finland.

In case of any discrepancies between the original Finnish language version and the English language translation of these terms and conditions, the Finnish language version shall prevail.

Other Issues

Documents referred to in Chapter 5, Section 21 of the Finnish Limited Liability Companies Act (624/2006, as amended) are available for review at the website of Duell at investors.duell.eu/rightsoffering_2023.

Other issues and practical matters relating to the Offering will be resolved by the Board of Directors of the Company. The Board of Directors may resolve not to accept subscriptions, including the subscriptions made with Subscription Rights, if the Board of Directors would conclude that carrying out the Offering is not in the Company’s interest. See also “*Plan of Distribution.*”

Evli Plc (“**Evli**”), whose registered address is Aleksanterinkatu 19, FI-00100 Helsinki, Finland, is acting as issuing and paying agent in respect of the Offering (*i.e.*, assisting the Company with certain administrative services concerning the Offering). The fact that Evli is acting as issuing and paying agent does not, in itself, mean that Evli regards the subscriber as a customer of Evli. For the purposes of the Offering, the subscriber is regarded as a customer of Evli only if the subscriber

has an existing customer relationship with Evli. As a consequence of Evli not regarding the subscriber as a customer in respect of the Offering, the investor protection rules set forth in the Finnish Act on Investment Services (747/2012, as amended) will not apply to the Offering. This means, among other things, that neither customer categorization nor a suitability assessment will take place with respect to the Offering. Accordingly, the subscriber is personally responsible for ensuring that he or she possesses sufficient experience and knowledge to understand the risks associated with the Offering.

Subscribers in the Offering will provide personal data to Evli. Personal data provided to Evli will be processed in data systems to the extent required to provide services and administer matters in Evli. Personal data obtained from a party other than the customer to whom the processing relates may also be processed. Personal data may also be processed in data systems at companies and organizations with which Evli cooperate. Information regarding the processing of personal data is provided by Evli, which also accept requests for correction of personal data. Information regarding addresses may be obtained by Evli through automatic data runs at Euroclear Finland.

By subscribing for the Offer Shares in the Offering, the subscriber authorizes their account operator to disclose necessary personal data, the number of their book-entry account and the details of the subscription to the parties involved in the processing of the subscription order or the execution of the assignment to allocate and settle the Offer Shares.

BUSINESS

This section contains statistics, data and other information relating to markets, market sizes, market shares and market positions and other industry data pertaining to Duell's business and markets. The information is based on Duell's estimates, which are based on several sources. See "Certain Matters—Information Derived from Third-party Sources."

Overview

Duell is, according to its estimate, one of the leading Powersports Aftermarket distributors in the Nordics and the Baltics and its presence has grown in the past years also in the rest of Europe. Duell's offering covers motorcycle, ATV, snowmobile, bicycle and marine products, including technical and spare parts and personal equipment (for example clothing and accessories), to dealers across several markets in Europe. Duell offers a broad assortment of products across all of its sales channels for four seasons through its six product categories comprising Onroad/Offroad MC Gear, Onroad/Offroad MC Technical Products, ATV, Snowmobile Gear and Technical Products, Bicycle Products and Marine Products. Onroad/Offroad MC Gear and Onroad/Offroad MC Technical Products are Duell's largest product categories, which in aggregate accounted the majority of Duell's net sales the financial year ended August 31, 2023. For the financial years ended August 31, 2023 and 2022, Onroad/Offroad MC Gear and Onroad/Offroad MC Technical Products categories accounted for approximately 70 percent of Duell's net sales

Duell's goal is to distribute the world's best known, quality powersport brands at competitive prices and in a timely manner. Duell is able to offer its brand portfolio of more than 550 brands consisting of approximately 150,000 SKUs to dealers enabling a one-stop-shop approach and, in turn, provide brand owners a reach of approximately 8,500 dealers as at the date of this Offering Circular. Duell offers a range of powersport technical and spare parts and personal equipment brands, including brands classified by Duell as best brands, such as Airoh, Alpinestars, Cardo, Continental, Dunlop, HJC, Michelin, Oakley, Pirelli, Rukka, Schuberth, Scorpio and Sena. In addition to best brands, Duell offers a wide range of products from approximately 600 suppliers to accommodate demand for more affordable products. Duell also offers products that it procures directly from manufacturers and sells under its own brands to complement its offering. For the financial years ended August 31, 2023 and 2022, 21.8 percent and 20.7 percent, respectively, of net sales was generated by own brands.

During the past 40 years, Duell has grown from a garage start-up into one of the leading Powersports Aftermarket distributors in the Nordics and the Baltics with a growing presence also in the rest of Europe with approximately 8,500 active customers (*i.e.*, customers that have made purchases during the past 12 months). Duell has operations in the Nordics, France, the Netherlands, the United Kingdom and Germany supplying products to more than 15 countries. Duell is headquartered in Mustasaari, Finland, where it currently also has a sales office and a warehouse. In addition, Duell has sales offices and warehouses in Tampere, Finland, Tranås, Sweden, Veghel, the Netherlands, Le Cavalier, France, and New Milton, the United Kingdom, as well sales offices in Kongsvinger, Norway, and Fredericia, Denmark. In addition to its organic growth, Duell's current position in the European Powersports Aftermarket within the onroad motorcycle, offroad motorcycle, ATV and snowmobile market segments as well as bicycle market segment has strengthened through M&A, and, as part of its long-term strategy, Duell aims to actively participate in the consolidation of the fragmented European market.

For the financial years ended August 31, 2023 and 2022, Duell's net sales were EUR 118,832 thousand and EUR 123,991 thousand, respectively, its operating profit was EUR 1,041 thousand and EUR 4,904 thousand, respectively, and its adjusted EBITA was EUR 4,594 thousand and EUR 8,726 thousand, respectively. As at August 31, 2023, Duell had a total of 212 employees and as at August 31, 2022, a total of 222 employees.

History

Oy Duell Bike-Center Ab ("**Duell Bike-Center**") was founded in 1983 on the West Coast of Finland, which initially focused on the selling of motorcycle parts to consumers. In 1989, Motorfirman Holger Duells SE joined as a shareholder with a holding of 33 percent. In 1990, the retail operations were divested, and Duell Bike-Center continued as a distributor for snowmobile, motorcycle and moped aftermarket parts, accessories and gear, and started representing major brands, such as, AGV, IXS, Scott, Metzeler and Pirelli in Finland. In 2013, Duell Bike-Center expanded to Sweden by establishing a new company called SDBC Motor AB and, in 2014, it acquired Garage 24's motorcycle business.

In 2018, Sponsor Capital, a Finnish private equity company, became a co-owner of Duell Bike-Center. In 2019, Duell carried out several strategic initiatives, including developing a go-to market strategy for markets outside the Nordics, focusing on the development of own brands and sharpening its M&A strategy. In 2019, Duell acquired its first own significant motorcycle clothing brands – Halvarssons and Lindstrands – from Jofama AB that allowed Duell to enter the European market outside the Nordics and the Baltics, opened offices in the United Kingdom and Norway and launched a central European sales organization. Similarly, Duell divested its business related to skiing equipment. Duell strengthened its position as a leading aftermarket supplier for the motorcycle, snowmobile and ATV components market segments within the Nordics.

In 2021, Duell completed two strategically important acquisitions. In June 2021, Duell acquired IGM, an importer and distributor of motorcycle clothing, helmets and accessories with its own dealer network in the Netherlands and, through its subsidiary, in Germany. In August 2021, Duell completed the Tecno Globe Acquisition, a French distributor of approximately 40 brands of high-tech products for motorcycles and bicycles with over 3,000 active customers in France.

In November 2021, Duell's Shares were listed on the First North Growth Market (the "**Listing**").

In December 2021, Duell entered into a distribution agreement with Michelin Nordic AB ("**Michelin**"), which is, according to Duell's estimate, one of the world's leading tire manufacturers measured by revenue, to add Michelin's motorcycle and scooter tires into Duell's offering in Finland, Sweden and Denmark.

In February 2022, Duell acquired TMV, a Dutch distributor of motocross and offroad products, enabling Duell's expansion into the motocross market, particularly in the Netherlands, Belgium and Luxembourg (the Benelux Region) and the rest of Europe.

In May 2022, Duell launched its own AMOQ MX brand collection for motocross garments, and AMOQ for the snow segment.

In May 2022, Duell acquired PowerFactory, which is, according to Duell's estimate, a leading Finnish importer and wholesaler of bicycle spare parts and accessories measured by revenue.

In March 2023, Duell acquired TranAm, which is, according to Duell's estimate, a leading distributor and wholesaler of premium clothing and accessories for motorcycling in the United Kingdom measured by revenue, and completed a EUR 8.7 million directed share issue to finance the TranAm Acquisition. For more information, see "*—Capital Resources and Liabilities—Liabilities*" below.

Recent Events

On November 9, 2023, Duell announced that it is planning a fully guaranteed rights offering of approximately EUR 20 million to strengthen its balance sheet and support its strategy execution. Duell published terms and conditions of the Offering on November 30, 2023.

On October 9, 2023, Duell announced that it is considering a rights offering and reviewing its financing alternatives to strengthen its balance sheet and to enable further execution of its strategy, aiming to expand its footprint in Europe, to improve its position in the online business and to develop its brand portfolio. According to preliminary plans, the size of the potential rights offering would be up to approximately EUR 20 million. The completion and timing of the rights offering was dependent on the market situation, and its completion was conditional on, among others, a share issue authorization from the general meeting of the shareholders, publication of a prospectus approved by the FIN-FSA and sufficient support from the shareholders to complete the rights offering.

On September 29, 2023, Duell announced that Magnus Miemois (M.Sc. Tech.) will start as the COO and Deputy CEO of Duell latest on January 1, 2024. Mr. Miemois will join Duell from Lamor Corporation Plc, where he has been responsible for the Eurasia business and global sales development. Prior to working at Lamor Corporation Plc, Mr. Miemois worked for Wärtsilä Corporation in various global positions. Initially, Mr. Miemois will be responsible for Duell's operations and related development activities. The plan is for Mr. Miemois to become Duell's CEO during 2024. In connection with this, Duell's current CEO Jarkko Ämmälä will transition into Duell's Commercial Director role with responsibility for key accounts, key suppliers and strategic initiatives.

On September 20, 2023, Duell announced that it had updated its outlook and guidance for the financial year 2023 due to lower than expected demand and the negative impact of exchange rate fluctuations. Duell also announced that it had reduced inventory levels as planned during the financial year 2023, which had significantly lowered its debt level and that this inventory reduction program had had a positive impact on Duell's cash flow. Duell further announced that it was to publish its financial statements bulletin for the financial year ended August 31, 2023, on October 9, 2023. Duell announced that its new outlook and guidance for the financial year ended August 31, 2023, is the following:

"The market and business cycle continues to be weak and uncertain. The continuing inflation and the overall economic environment have decreased consumer confidence. These factors will reduce predictability. Duell is adjusting its operating costs to meet lower than expected demand. Duell will continue to execute its growth strategy despite uncertain market conditions.

Duell expects net sales to be approximately EUR 118 million (EUR 124 million in financial year 2022) and adjusted EBITA to be approximately EUR 4.5 million (EUR 8.7 million in financial year 2022) in the current financial year ending August 31, 2023."

On September 11, 2023, Duell announced that it had completed the change negotiations related to enhancing its cost savings program and adjusting its operating costs to lower than expected demand in Duell Bike-Center in Finland and Duell AB in

Sweden on September 7, 2023. Duell expects to achieve additional annual cost savings of approximately EUR 1 million in the Group, mainly from personnel cost reductions. The total number of personnel reductions in the Group was 11 persons. The savings from the cost savings program are mainly expected to be achieved in the financial year 2024. For more information, see “*Summary of Recent Disclosures—Company Releases Relating to Change Negotiations.*”

There have not been material changes in Duell’s financial position and financial results between August 31, 2023, and the date of this Offering Circular.

Key Strengths

Duell believes that the following factors are among its key strengths and represent competitive advantages:

Duell is Well Positioned in a Large and Relatively Stable Market

Duell operates on the European Powersports Aftermarket within the onroad motorcycle, offroad motorcycle, ATV, snowmobile and marine and market segments. In addition, it also operates in Europe within the bicycle market segment. Duell determines its main addressable market to consist of the onroad motorcycle and offroad motorcycle spare parts, accessories and gear market segments in Europe, which it estimates to be worth approximately EUR 6 billion in 2023.

According to Duell, the Powersports Aftermarket is relatively stable in cyclical downturns and highly unexpected events, such as the COVID-19 pandemic, due to the large existing motorcycle fleet and rider base, which primarily comprises of passionate enthusiasts, whose consumption is mainly related to wear and tear of spare parts and personal equipment and who are unlikely to be affected by external forces. Instead, the Powersports Aftermarket is mostly affected by macroeconomic factors as it is likely that motorcycle owners would postpone discretionary investments in their motorcycles, such as upgraded parts or accessories, in the event of an economic downturn. In addition, consumer purchases of clothing and other discretionary spending items generally decline during periods when disposable income is adversely affected or when there is economic uncertainty. Duell also estimates that the ATV, snowmobile and marine components market segments have in the recent years grown at a faster rate than the onroad motorcycle and offroad motorcycle market segments. In addition, Duell estimates that the bicycle components market segment in Europe has grown with a faster rate than the onroad motorcycle and offroad motorcycle market segment.

Duell believes that its main addressable market is undergoing a gradual shift from traditional brick-and-mortar shopping to online shopping. As one of Duell’s strategic priorities is being a trustworthy partner for online dealers, Duell is well-positioned to benefit from the expected growth in online shopping. Duell believes that it is a trustworthy partner for online dealers in the growing online business to consumer market as it is able to provide fast and accurate order processing, one-stop-shop approach in product sourcing, broad product inventory, extensive information available of approximately 150,000 SKUs, dynamic and flexible deliveries, pick-up points and drop-shipping availability enabled by system integrations.

Duell believes that the TranAm Acquisition strengthens Duell’s foothold in the large United Kingdom market and is expected to provide a platform for future growth. Furthermore, Duell believes that the PowerFactory Acquisition enhanced Duell’s position in bicycle spare parts and accessories in Finland and Sweden. The Tecno Globe Acquisition provided Duell with access to the bicycle spare parts and accessories market segment, access to over 3,000 active customers in France and further strengthened Duell’s position in the European markets, particularly in France. Duell believes that the growing demand for bicycles is driven by a number of factors, such as the prevalent focus on healthier lifestyle, the general trend of urbanization and the negative association with vehicles powered by fossil fuels.

Duell believes that the role of large distributors will increase in the coming years. Duell is one of the market consolidators, and it expects to benefit from this trend. However, the continuing inflation and overall economic environment have in recent years had adverse effect on Duell as a large distributor that maintains significant inventory. For more information, see “*Risk Factors—Risks Related to the Environment in which Duell Operates—Duell is exposed to macroeconomic risks and other macro trends that could reduce demand for its products*” and “*Risk Factors—Risks Related to Duell’s Business—Duell may fail to successfully anticipate demand, manage its inventory or manage disruptions in supply, which could have an adverse effect on Duell’s operations and its profitability.*” Duell believes that significant initial investments required in infrastructure, logistics and technology solutions create relatively high barriers to entry for new entrants into the market, which, in turn, maintains a stable competitive environment.

One of the Leading Distributors in the Nordics and the Baltics with a Growing Presence in the Rest of Europe

The history of Duell dates back to 1983, and it has since built strong relationships with both its suppliers and customers and developed into one of the leading Powersports Aftermarket distributors in the Nordics and the Baltics. Duell’s European expansion started in 2019 when it developed a go-to-market strategy for markets outside the Nordics. In 2019, Duell acquired its first own significant clothing brands – Halvarssons and Lindstrands – that allowed Duell to enter the European market outside the Nordics and the Baltics, opened offices in the United Kingdom and Norway and launched a central European sales organization. Similarly, Duell divested its business related to skiing equipment. In accordance with its

strategy, in addition to strengthening its position in the Nordics, Duell has executed three strategically important acquisitions in total since 2021 in the Netherlands, Finland and the United Kingdom. For more information, see “—History” above. Duell plans to focus on further accelerating its growth in the markets outside the Nordics and aims as part of its long-term strategy to be an active player in the consolidation of the market.

Duell is, according to its estimate, a leading distributor in the Powersports Aftermarket in the Nordics and the Baltics, that forms a solid foundation for its operations and provides it with pricing and negotiation power with suppliers and customers as well as scale benefits. Duell believes it has a particularly strong market position in Finland, Sweden, and Norway. According to its own assessment, Duell has also entered various other European markets successfully based on the number of customers and net sales. Duell believes that it is one of the few companies in its industry in Europe that are truly international players with a broad product offering and that it has potential to further grow in Europe in accordance with its growth strategy.

Duell’s net sales and profitability increased until 2021 due to its successful implementation of its growth strategy and strong focus on being the best partner for dealers and brand owners. Duell’s net sales increased by 238 percent between October 1, 2011, and August 31, 2021 (the Company was established on August 3, 2018, thus, for the preceding period, net sales based on Duell Bike-Center’s audited financial statements have been examined). However, the market became uncertain in 2022 due to increasing inflation, decreasing customer demand and generally lower market activity following the Russian invasion of Ukraine. See “*Risk Factors—Risks Related to the Environment in which Duell operates— Duell is exposed to macroeconomic risks and other macro trends that could reduce demand for its products.*” Duell was able to grow despite the challenging market conditions and Duell’s net sales growth for the financial year ended August 31, 2022, was 61.5 percent and organic net sales growth was 15.7 percent. However, the economic uncertainty and changes in dealers’ purchasing behavior had an adverse effect on Duell’s net sales. The continued challenging market conditions affected Duell’s net sales for the financial year ended August 31, 2023, and net sales decreased by 4.2 percent. The adverse effect was felt most strongly in the countries where Duell is a leading distributor, namely the Nordics and the Baltics. However, net sales growth continued in many other European countries where Duell’s market share is smaller compared to its competitors.

Broad Portfolio of Renowned Brands

As at August 31, 2023, Duell’s brand portfolio, including both third-party and own brands, consisted of more than 550 brands. The brand portfolio has expanded significantly through acquisitions, and Duell intends to manage and optimize its brand coverage in accordance with its brand strategy. See “—History” above and “—Duell’s Strategy” below.

Ordering from one distributor is typically cheaper for dealers than doing so from multiple ones. Duell believes that dealers prefer distributors that are capable of stocking and supplying a broad one-stop-shop offering of brands. Maintaining an extensive coverage of relevant brands is a competitive advantage in acquiring new customers and retaining old ones and Duell’s extensive one-stop-shop brand portfolio makes Duell an attractive partner for dealers. Duell’s brand coverage is significantly wider than that of its large competitors in Europe. For the financial year ended August 31, 2023, Duell’s net sales were mainly derived from the Onroad/Offroad MC category, which represented approximately 60 percent of Duell’s net sales. The Bicycle Products category has increased its share of Duell’s net sales through acquisitions in France and Finland to being the second largest category. For the financial years ended August 31, 2023 and 2022, net sales generated by the Bicycle Products category was EUR 19,507 thousand and EUR 13,610 thousand, respectively.

Duell categorizes the brands in its portfolio into top brands, brands and own brands. According to Duell, top brands are market leading brands in their own category, some of with which Duell has managed to gain exclusivity. Other external brands, excluding top brands, focus more on the product and less on the brand value. Duell has registered trademarks for its products under its own brands, such as Halvarssons and Lindstrands. Duell believes that its own brands provide Duell with a platform to further increase its share of wallet amongst its current customer base in addition to being the key in entering new markets and penetrating new customer segments inside home markets by introducing products that are currently not present in the market or are currently covered by other brands to which other distributors hold exclusive rights. Furthermore, Duell believes that its extensive one-stop-shop brand portfolio and well-stocked unique offering and broad brand offering might lead to dealers favoring Duell over distributors that are unable to supply brands exclusively offered by Duell.

Strong Value Proposition to Brands and Dealers

As a distributor, Duell operates between brand owners and dealers by sourcing from brand owners’ collections and distributing them to dealers that sell the products to end customers that are mostly consumers. Duell aims to maintain a solid network designed to support every aspect of its operations: from purchasing and warehousing to logistics and sales. According to Duell, many brands and manufacturers do not have the necessary resources to distribute their products to dealers or end customers cost efficiently as it would require significant investments in sales, inventory, infrastructure and logistics, marketing, and production facilities to build a competitive and well-functioning distribution network necessary for remaining a preferred partner for dealers. Brands and manufactures benefit from Duell’s scale and access to markets

that they would otherwise have difficulty reaching. Duell believes that the most important way to bring value to both directions of the value chain (*i.e.*, to both brand owners and dealers) is through economies of scale and quality service to both brand owners and customers. Duell is able to offer its brand portfolio of more than 550 brands consisting of approximately 150,000 SKUs to dealers and, in turn, provide brand owners a reach of approximately 8,500 dealers as at the date of this Offering Circular. Economies of scale are enabled by Duell's warehousing capabilities and efficient logistics operations, which allow extensive stock keeping for brands, which simultaneously ensures availability of products from many brands enabling a one-stop-shop approach towards dealers. Duell believes that its capabilities to order large volumes of products and carry inventory locally makes Duell a very reliable and relevant partner for brand owners. In addition, Duell also provides brands and dealers sales and aftersales support and valuable customer insights and local market knowledge.

Duell believes that it is also a valuable partner for dealers as it consolidates a highly fragmented market of suppliers. Duell's overall sales strategy is to provide dealers a broad and significant product offering at competitive prices with a one-stop-shop approach, efficient electronic ordering process and stock availability and strategically placed warehouses that enable fast and reliable deliveries. Duell's PIM platform, which is Duell's product information management system, enables efficient partnerships with dealers as they gain efficient access to a large amount of product information, which is especially important for online dealers. In addition, Duell has capabilities to support dealers with various logistic solutions to meet the needs of their customers, such as cross-docking and drop-shipping by external logistics service providers directly to consumers. These capabilities allow dealers to sell more due to good availability, whilst lowering dealers' needs for large inventories. Therefore, Duell's value proposition is strong to both brand owners and dealers.

Duell Has a Strong and Stable Position in Key Sales Channels

Duell has a wide customer base in the Nordics and rest of Europe and, as at the date of this Offering Circular, it has approximately 8,500 active customers (*i.e.*, customers that have made purchases during the past 12 months), which highlights the highly fragmented Powersports Aftermarket as well as Duell's strong market position. Duell's customer base consists of dealers that sell Duell's products to end customers, which are mostly consumers. Duell's customer base is diverse and highly fragmented with customers comprising offline dealers (*i.e.*, retail shops, specialty shops, repair shops and powersport manufacturers) and online dealers. Duell is not dependent on any specific customer or group of customers, which Duell believes provides it negotiation power with dealers. Of Duell's net sales for the financial year ended August 31, 2023, approximately 20 percent was generated by ten of Duell's largest customers and approximately 10 percent by its top two largest customers in total.

Duell's value proposition to both offline and online channels has been tailored to meet different channel needs. Duell has gained experience in meeting the requirements of various sales channels via its long-standing customer relationships and strong market presence. Duell is well-positioned to serve customers operating in an online environment. Share of online stores of Duell's net sales was EUR 29,302 thousand for the financial year ended August 31, 2023, representing 24.7 percent of Duell's net sales. Duell aims to be a trustworthy partner for online dealers in the growing online business-to-consumer market by providing fast and accurate order processing, one-stop-shop approach in product sourcing, extensive product information, dynamic and flexible deliveries, pick-up points and drop-shipping availability enabled by system integrations. Duell's extensive information available of approximately 150,000 SKUs provide dealers a possibility to make informed purchase decisions with a wide variety of options.

Duell Has Control over Critical Parts of the Value Chain

Duell believes its operational set-up enables it to operate as one of the leading distributors in the Nordics and the Baltics. Duell has in-house capabilities and control over purchasing, warehousing, logistics, pricing, and sales in the value chain. Duell has a diversified supplier base and a purchasing process to cater to the demand and needs of its customers. For the financial year ended August 31, 2023, approximately 40 percent of Duell's purchases were made from its ten largest suppliers.

Duell has aimed to locate its warehouses strategically in order to serve dealers in its core markets in the best possible way. As at the date of this Offering Circular, Duell's warehouses are located in Mustasaari and Tampere, Finland, Tranås, Sweden, Veghel, the Netherlands, Le Cavalier, France, and New Milton, the United Kingdom. Duell believes that speed to market is a key purchase criterion to dealers as they prefer distributors that are capable of providing products in a timely manner. Duell's strategically located warehouses support efficient delivery to all markets across Europe. Duell also believes that supporting technology, such as Duell's warehouse management system, facilitates agile logistics, which is key in servicing online dealers. Optimized delivery enables deliveries within 24 hours for approximately 95 percent of the products distributed by Duell in countries where Duell has its own logistics centers.

Duell maintains a comprehensive supporting technology infrastructure. Technological solutions encompass PIM, ordering systems, purchase and forecasting, online store solution, sales and purchase analytics, inventory management and other electronic data interchange related matters, such as drop-shipping and order integration. Duell believes that IT infrastructure is essential in meeting the demands of both traditional offline dealers as well as online dealers. For example, approximately

90 percent of Duell's product orders were received electronically through self-service portals, such as business-to-business online stores and system integrations, for the financial year ended August 31, 2023. According to Duell, implementation of self-service portals for dealers offers multiple advantages that are, among others, multiple language possibilities, dealer-specific price lists, order tracking, estimated time of arrival and useful implications for Duell's sales force.

Duell believes it has strong local sales teams that have contributed to its strong sales growth in recent years. As at August 31, 2023, Duell had a sales force of approximately 50 employees and an agency network covering more than 15 countries, including, for example, Finland, Sweden, France, the United Kingdom, Norway, Denmark, the Netherlands, Ireland, Belgium, Spain, Germany, Estonia, Latvia, Lithuania, the Czech Republic and Slovakia. Duell believes that a local presence enables a deeper understanding of customers' needs in a specific market and helps with identifying new products and brands. In addition, Duell's sales team is also continuously supporting dealers by marketing efforts, such as powersports team partnerships, dealer newsletters, online marketing as well as participation in various events.

Skilled, Experienced and Passionate Management Team and Personnel

Duell's management team has extensive understanding of the Powersports Aftermarket and the bicycle aftermarket as well as operational, managerial and financial experience within various other industries, including consumer, engineering and financial services. Duell's management team also has significant experience in executing acquisitions and integrating acquired businesses. Duell believes that the long experience of its management team, together with its other skilled and passionate personnel, is a key competitive advantage in the Powersports Aftermarket. Duell believes that its personnel is highly committed to Duell and the brands and dealers it serves, which can be showcased by low employee turnover and high share of powersports enthusiasts in Duell. The strong commitment, powersports background and long experience of Duell's personnel supports Duell's key strategic objectives to become the best partner for dealers and brand owners throughout Europe and strengthen its market position in the existing markets where Duell operates.

Duell's Strategy

Key Objectives and Strategic Priorities

Duell's key strategic objectives are (i) to become the best partner for dealers and brand owners throughout Europe and (ii) to strengthen its leading market position in the Nordics. Duell's key strategic priorities in achieving its objectives are as follows:

Promoting Efficiency Measures and Improving Profitability

Duell has taken a number of measures to reduce its costs and achieve operating efficiencies over the past years, and it may take further measures in the future. To adjust its operating costs to lower than expected demand, Duell introduced a cost savings program in spring 2023 aiming to increase Duell's gross margin and to further optimize the inventory levels for prevailing market demand. Duell announced on May 17, 2023, that it enhances its cost savings program to improve profitability with the aim of achieving savings in the financial year 2024. As part of the cost savings program, Duell initiated change negotiations in Duell-Bike Center in Finland and Duell AB in May 2023, aiming to achieve additional annual cost savings of approximately EUR 1 million in the Group, mainly from personnel cost reductions. The change negotiations were completed in September 2023, and the total number of personnel reductions in the Group was 11 persons. Duell may further improve its efficiency measures by implementing additional cost savings measures. In the medium term, Duell aims for an adjusted EBITA margin of at least 13 percent. Duell's adjusted EBITA margin was 3.9 percent for the financial year ended August 31, 2023, and 7.0 percent for the financial year ended August 31, 2022.

Geographical Market Expansion

Geographical market expansion includes both organic and M&A expansion into new and current geographic markets. Duell's expansion strategy is divided into four categories based on its market position and growth ambitions in the respective market. The four categories of markets are: (i) countries of high market share; (ii) countries of lower market share; (iii) early-stage markets and (iv) new-entry markets with no presence so far. However, Duell will not prioritize larger acquisition opportunities until the operating environment is more supportive for them.

In countries of high market share, such as Finland, Sweden and the Baltics, Duell aims to increase the share of wallet of existing customers by facilitating good relationships with its customers and suppliers, optimizing order delivery and offering a wide supply of brands and products. Although Duell's current strategy focuses on its existing product categories, Duell may also consider entering new adjacent product segments, such as water sports, lawn movers, garden and forest products.

In countries of lower market share, such as the Netherlands, Belgium, France, Norway and the United Kingdom, Duell already has a strong customer base, but believes that there is potential to capture market share by attracting new customers. In addition to acquiring new customers, Duell plans to strengthen its relationships with existing customers and grow its

share of wallet by cross-sales, for example, by adding existing group brands and product categories to its country-specific product offerings.

In early-stage markets, such as Germany, Denmark, the Czech Republic and Spain, Duell's strategic focus is acquiring new customers. Although growth in such markets is mainly sought by way of organic growth, certain early-stage markets may have strong local competitors. Consequently, the presence in early-stage markets may be strengthened by means of M&A transactions, and such M&A transactions may significantly accelerate Duell's expected growth in such markets. Thus, Duell also focuses on preparing for strategic M&A and analyzing potential M&A targets in such early-stage markets. However, Duell will not prioritize larger acquisition opportunities until the operating environment is more supportive for them.

Duell will, once the current internal efficiency measures are implemented, continue to identify potential new markets to expand its operations to. In new-entry markets in which Duell does not yet have presence, where dealers' presence is low or market fragmentation is high, Duell focuses on analyzing local business standards and market dynamics and eventually developing a go-to-market strategy. Experienced country managers, including its export development manager for the rest of Europe, and sales channels in neighboring markets, as well as Duell's own brand portfolio act as a platform for expansion into new markets. Potential M&A targets are, for example, often identified through meeting Duell's competitors and forming relationships with potential targets at fairs and events.

The European Powersport Aftermarket is highly fragmented and Duell believes that M&A will continue to provide opportunities to expand in its operations. Duell plans, once the current internal efficiency measures are implemented, to continue to analyze and monitor the European Powersports Aftermarket and as at the date of this Offering Circular has identified at least 20 potential targets. The recent TranAm Acquisition carried out by Duell demonstrate Duell's ambition for strategic expansion in Europe with attractive valuations. Duell believes that the TranAm Acquisition strengthens Duell's foothold in the large United Kingdom market and is expected to provide a platform for future growth. Based on Duell's acquisitions during the last three years, Duell's historical average for paid enterprise value to EBITA multiple for acquired companies was approximately six times. Duell believes that its proactive approach and differentiated M&A strategy attracts entrepreneurs and owners to sell their businesses to Duell. However, in larger add-on M&A transactions, where net sales exceed EUR 10 million to EUR 20 million, Duell may even consider paying a slightly higher multiple if Duell sees that to be justified taking into account value creation potential of the target company's operations. Historically, Duell has financed its smaller M&A transactions mainly with existing operational cash flows, however, in large M&A transactions Duell may also consider a mix of debt and equity financing to incentivize sellers.

Partner for Online Business

Duell believes, that its main addressable market is currently undergoing a gradual shift from traditional brick-and-mortar shopping to online shopping with consumers shifting towards online channels for powersports personal equipment and spare parts product purchases. As online dealers to some extent have different requirements than traditional offline dealers, distributors similar to Duell have adapted their operations to meet customers' needs, and Duell does offer its products across all sales channels. While Duell believes that traditional offline dealers currently provide a stable base for sales, online dealers present significant growth opportunities to be leveraged in the future. Duell believes that it is a trustworthy partner for online dealers in the growing online business-to-consumer market as it is able to provide fast and accurate order processing, one-stop-shop approach in product sourcing, extensive information available of approximately 150,000 SKUs, dynamic and flexible deliveries, pick-up points and drop-shipping availability enabled by system integrations. Duell also provides business-to-business online stores and system integrations that enable cross-docking, drop-shipping, automated processes and orders as well as the ability to check stock availability in real-time. Furthermore, Duell is continuously improving its PIM platform to increase overall transparency and seamless coverage of product information. Duell also aims to effectively support traditional offline customers in making the shift towards the online dealer space in addition to supporting traditional offline dealers by providing local services and knowledge of the market in their local language. To support these needs, Duell will continue to invest in its sales force as well as in technology as part of its growth strategy.

Brand Portfolio Development

Duell has a brand portfolio of more than 550 brands. Duell's brand portfolio has been expanded through acquisitions and Duell has simultaneously made strategic decisions to include top brands in its brand portfolio. Duell continuously develops its brand portfolio to meet the needs of and demand in different markets. Duell believes that the recent TranAm Acquisition strengthens Duell's foothold in the large United Kingdom market and is expected to provide a platform for brand assortment development.

Going forward, Duell plans to continue to focus on optimizing its product portfolio through the following brand strategy:

- *Continue to attract top brand suppliers by offering a strong value proposition.* Duell is able to offer brand owners a reach of approximately 8,500 dealers in addition to providing extensive stock-keeping possibilities and strong support systems throughout the value chain.

- *Offer other brands in addition to top brands.* Such other brands complement Duell’s offering and expand its portfolio at various price points.
- *Duell will also consider selectively acquiring own brands, of which Duell would own the intellectual property over product design.* Obtaining own brands would differentiate Duell from market competitors as no other supplier or distributor would sell those brands.

Future Outlook

The following outlook is included in Duell’s financial statement as at and for the financial year ended August 31, 2023:

“Market uncertainty and weakness will persist in the financial year 2024. Continued inflation and the overall challenging market situation has lowered consumer confidence and demand. These factors will weaken the predictability and therefore Duell is not giving outlook for net sales for the financial year 2024.

Duell will continue its performance improvement program and plans to strengthen its capital structure in the financial year 2024. Duell estimates adjusted EBITA to improve from previous year’s level.”

Key factors affecting the forecast, which Duell can influence, are the Company’s cost adjustments and expense management, the ability to respond to changes in demand as well as successful inventory management and product pricing. Factors beyond Duell’s influence relate, in particular, to the actions of Duell’s competitors, general economic developments, any escalation of the global political situation, high inflation and interest rates and their impact of the potentially increasing uncertainty on the demand for Duell’s products.

The statements set forth above include forward-looking statements and are not guarantees of Duell’s financial development in the future. Duell’s actual results and financial position could differ materially from those expressed or implied by these forward-looking statements as a result of many factors, including but not limited to those described under “Certain Matters—Special Cautionary Notice Regarding Forward-looking Statements” and “Risk Factors.” Duell cautions not to place undue reliance on these forward-looking statements. The statements set forth above have been made and prepared on a basis which is (a) comparable with Duell’s historical financial information and (b) consistent with Duell’s accounting policies.

Trend Information

Duell anticipates market development for the product categories it offers to continue to be favorable in the long term and demand for the products it offers to be good despite the current low end-customer demand and lower market growth. In addition, Duell believes that it has attractive potential to further grow in Europe and that online dealers are rapidly growing presenting significant growth opportunities.

The statements set forth above include forward-looking statements and are not guarantees of Duell’s financial development in the future. Duell’s actual results and financial position could differ materially from those expressed or implied by these forward-looking statements as a result of many factors, including but not limited to those described under “Certain Matters—Special Cautionary Notice Regarding Forward-looking Statements” and “Risk Factors.” Duell cautions not to place undue reliance on these forward-looking statements.

Financial Targets

The following financial targets in the medium term (from three to five years) have been adopted by the Board of Directors of the Company:

- *Growth:* net sales in the range of EUR 200–300 million in medium term, achieved through yearly growth organically and inorganically.
- *Profitability:* adjusted EBITA margin of at least 13 percent in the medium-term.
- *Leverage:* net debt to adjusted EBITDA ratio in the range of 2–3. Leverage may temporarily exceed the target range (for example, in conjunction with acquisitions).
- *Dividend policy:* annually growing dividend, which is on an annual basis at least 30 percent of reported net profit.

The statements set forth above include forward-looking statements and are not guarantees of Duell’s financial performance in the future. Duell’s actual results and financial position could differ materially from those expressed or implied by these forward-looking statements as a result of many factors, including but not limited to those described under “Certain Matters—Special Cautionary Notice Regarding Forward-looking Statements” and “Risk Factors.” Duell cautions prospective investors not to place undue reliance on these forward-looking statements.

Duell's compound annual growth rate ("CAGR") of net sales was 17 percent between September 1, 2019, and August 31, 2021, and 24 percent between September 1, 2021, and August 31, 2023. Net sales growth was positive for the financial years ended August 31, 2019, 2020, 2021 and 2022, but for the financial year ended August 31, 2023, net sales growth was negative 4.2 percent. Duell's adjusted EBITA margin was 3.9 percent for the financial year ended August 31, 2023, and 7.0 percent for the financial year ended August 31, 2022. Duell's net debt to adjusted EBITDA ratio was 7.0 for the financial year ended August 31, 2023, and 4.7 for the financial year ended August 31, 2022. The annual general meeting of shareholders of the Company resolved on December 5, 2023, that no dividend will be paid in respect of the financial year ended August 31, 2023. No dividend was paid by the Company for the financial year ended August 31, 2022. The Company's dividend policy has been adopted in 2021 and no dividend has been paid by the Company since the adoption of the dividend policy.

Operating Environment

Introduction

Duell operates on the European Powersports Aftermarket within the onroad motorcycle, offroad motorcycle, ATV, snowmobile and marine market segments. In addition, it also operates in Europe within the bicycle market segment. However, Duell determines its main addressable market in the Powersports Aftermarket to consist of the onroad motorcycle and offroad motorcycle spare parts, accessories and gear market segments in Europe.

In Duell's view, the European Powersports Aftermarket is defined by certain characteristics, such as relatively high barriers to entry and a high degree of fragmentation. Duell's competitors include large international distributors, large regional distributors and small local distributors. Duell believes that the role of large distributors will increase in the coming years mainly due to the scale benefits that they offer to both brands and dealers. In Duell's view, its main addressable market has relatively high barriers to entry. In particular, larger companies with extensive brand and dealer networks benefit from certain competitive advantages that are not easily replicated by new entrants into the market, such as scale advantages in procurement, local knowledge, the ability to carry large inventories, increased negotiation and bargaining power, economies of scale, own brand and/or private label opportunities, more competitive pricing and the possibility to negotiate exclusivity deals with brands in certain markets. The European Powersports Aftermarket is highly fragmented with, according to Duell's estimates, seven large international distributors and a long tail of local smaller competitors.

Duell estimates that uncertainty in the market will continue, and that the continuing high inflation will further decrease consumer confidence affecting Duell's business.

Market Trends and Drivers

Motorcycle Fleet and Rider Base

Duell believes that the numbers of motorcycles and riders are useful indicators for assessing future market development. Based on Duell's experience, the Powersports Aftermarket has historically been resilient to economic cyclicity and it has grown with the steadily increasing base of registered motorcycle fleet. According to Duell, the large existing motorcycle fleet and rider base primarily comprising passionate riders, whose consumption is mainly related to wear and tear of spare parts and personal equipment and who are unlikely to be affected by external forces, have reduced the impact of cyclical downturns and effects of highly unexpected events, such as the COVID-19 pandemic, to the Powersports Aftermarket. Duell believes that the Powersports Aftermarket is mostly affected by macroeconomic factors. While an economic downturn would likely not adversely affect demand for spare parts, which correlates to the distance driven, it is likely that motorcycle owners would postpone discretionary investments in their motorcycles, such as upgraded parts or accessories, in the event of an economic downturn. In addition, consumer purchases of clothing and other discretionary spending items generally decline during periods when disposable income is adversely affected or when there is economic uncertainty.

Structural Online Migration

Duell believes, that its main addressable market is currently undergoing a gradual shift from traditional brick and mortar shopping to online shopping with consumers shifting towards online channels for powersports spare parts and personal equipment product purchases. Duell expects that the online market for onroad motorcycle and offroad motorcycle spare parts and personal equipment in Europe grows in the coming years, while the traditional offline market for onroad motorcycle and offroad motorcycle spare parts and personal equipment in Europe decreases. Duell believes that the increase in online penetration is partly driven by the market being well suited for online shopping. Based on Duell's experience, the offroad motorcycle market segment in particular is characterized by products with high wear and tear meaning that a larger part of purchased items are repeat buys of similar products. Repeat purchases reduce the need for fit considerations and make the segment a better fit for online shopping. Duell also believes that motorcycle drivers are highly passionate consumers, meaning that drivers are more knowledgeable about their needs compared to certain other product categories sold through online channels. Furthermore, niche products, present especially in offroad motorcycle and spare parts, might be harder to find in physical stores, which benefits online dealers.

Electrification

Duell believes that environmental pressures and product innovation are driving an increase in the availability of electric powersports vehicles. Interest in the electric vehicle (“EV”) market is promoted by the low noise levels and zero emissions that EVs offer, improving usability in urban areas. Furthermore, tightening emission regulations are expected to push electrification across mobility segments. In spite of this, Duell believes that fleet electrification is going to be slow as powersports vehicle usage is highly emotional, and users seek excitement – an area where electrification has limitations due to reduced noise and tuning options. Powersports vehicles also pollute less compared to other means of transport, such as cars, and, therefore, face less pressure from regulation. In the long run, Duell believes that electrification is likely to shift demand for spare parts from products needed for petrol powered motorcycles, such as engine parts and oils, to batteries and charging cords needed for electric motorcycles. However, by adding new products and changing the product mix Duell offers, overall spend is likely to remain the same.

Duell’s Business

General

Duell is, according to its estimate, one of the leading Powersports Aftermarket distributors in the Nordics and the Baltics, and its presence has been growing in recent years also in the rest of Europe. Duell’s offering covers motorcycle, ATV, snowmobile, bicycle and marine products, including technical and spare parts and personal equipment (for example clothing and accessories), to dealers across several markets in Europe. Duell offers a broad assortment of products across all of its sales channels for four seasons through its six product categories comprising Onroad/Offroad MC Gear, Onroad/Offroad MC Technical Products, ATV, Snowmobile Gear and Technical Products, Bicycle Products and Marine Products.

The following table sets forth Duell’s net sales by geography for the financial years indicated:

| | For the financial year ended August 31, | |
|-----------------------------------|--|----------------|
| | 2023 | 2022 |
| | (unaudited, unless otherwise indicated) | |
| | (EUR in thousands) | |
| Nordics..... | 68,130 | 75,950 |
| Other Europe ⁽¹⁾ | 48,906 | 47,629 |
| Other ⁽²⁾ | <u>1,796</u> | <u>412</u> |
| Total ⁽³⁾ | <u>118,832</u> | <u>123,991</u> |

(1) The majority of the net sales of the other Europe comprises net sales from France and the United Kingdom.

(2) Other includes cash discounts, stock-taking impacts, foreign exchange rate differences and other accounting items. The adjustments for the financial year ended August 31, 2023, were primarily attributable to foreign exchange rate differences.

(3) Audited.

Products and Brands

Product Categories

Duell operates in the Powersports Aftermarket providing both technical and spare parts and personal equipment related to powersports of all four seasons. Duell’s product offering includes a broad range of products for a variety of uses, including must-have protective gear and technical and spare parts as well as more emotion-driven products, such as tuning-products and motorcycle streetwear. Duell has a brand portfolio of more than 550 brands and approximately 150,000 SKUs. For the financial year ended August 31, 2023, two thirds of Duell’s net sales were generated by the technical and spare parts market and approximately one third by the personal equipment market.

Duell divides its product assortment into the following six product categories:

- Onroad/Offroad MC Gear;
- Onroad/Offroad MC Technical Products;
- ATV;
- Snowmobile Gear and Technical Products;
- Bicycle Products; and
- Marine Products.

Onroad/Offroad MC Gear

Duell's Onroad/Offroad MC Gear product offering includes, for example, goggles, motorcycle streetwear, accessories and other protective gear, such as, jackets, pants, helmets, boots, gloves and other accessories.

Duell's Onroad/Offroad MC Gear category products are mainly used by end customers who use motorcycles for leisure and/or for competing in various motorcycle races. Many products of Onroad/Offroad MC Gear category are subject to European motorcycle safety regulations, and, as such, must be CE certified. In addition to Duell's own brands, Halvarssons, Lindstrands and Amoq, the most important brands in the Onroad/Offroad MC Gear category are Alpinestars, Schubert and HJC.

The Onroad/Offroad MC Gear category is Duell's spearhead product category and typically used to enter new markets. Hence, sales in the Onroad/Offroad MC Gear category are substantially higher in all regions in which Duell operates, particularly in relatively new markets, such as Norway and the rest of Europe, including Denmark, France, Germany, the Netherlands and the United Kingdom. Due to the smaller onroad market in the Baltics, sales in the Onroad/Offroad MC Gear category are somewhat higher in the Baltics in proportion to the overall sales in the Baltics, as compared to the other regions in which Duell operates.

Onroad/Offroad MC Technical Products

Duell's Onroad/Offroad MC Technical Products offering includes various technical and spare parts, such as tires, brakes, chains and other similar items needed in the maintenance of onroad and offroad motorcycles. The most important brands in the Onroad/Offroad MC Technical Products category are Pirelli, Sena, Givi, Michelin and Dunlop.

The end customers of Duell's Onroad/Offroad MC Technical Products category use motorcycles for both leisure as well as commuting, and this is reflected in the product offering.

ATV

Duell's ATV offering includes various technical and spare parts of ATVs, such as clutch, electric and engine parts, winchers, exhaust pipes, shock absorbers, farming articles and other accessories such as fuelline accessories. The most important brands in the ATV product category are local trailer manufacturer Ultratec, with which Duell has an exclusive contract, and Bronco, Camso and ITP.

Sales in the ATV product category are substantially higher in Finland and Sweden compared to the other countries in the Nordics or the rest of Europe. However, Duell considers there to be significant sales potential particularly in the northern parts of Norway.

Snowmobile Gear and Technical Products

Duell's Snowmobile Gear and Technical Products category consists of items specialized for snowmobile usage, such as snowmobile tracks, engine parts and upgrade accessories as well as clothing and accessories, such as goggles, gloves and avalanche equipment. Personal equipment plays an essential role in the Snowmobile Gear and Technical Products category, and for the 2022 season Duell established a new brand, Amoq, that offers products, including protection, helmets, goggles, pants, jerseys, jackets and gloves. Amoq products are also applicable for Onroad/Offroad MC Gear category. The most important brands in the Snowmobile Gear and Technical Products category are Camso, SnoX and Scott.

Duell's Snowmobile Gear and Technical Products category is subject to fluctuation due to seasonality and in particular, the volume of snow and the timing of first snow each winter. Due to the seasonal nature of the Snowmobile Gear and Technical Products category, sales in the Snowmobile Gear and Technical Products category are typically lower in Duell's third and fourth financial quarters. However, the decreased sales during the summer months are partly offset, in turn, by the typically increased sales of Duell's Marine Products category during Duell's third and fourth financial quarters.

Sales in the Snowmobile Gear and Technical Products category are mostly concentrated to Sweden and Finland. However, Duell considers there to be significant sales potential particularly in the northern parts of Norway.

Bicycle Products

With the Tecno Globe Acquisition in 2021, Duell's product assortment gained a new Bicycle Products category. Duell's Bicycle Products category includes electronic equipment for bicycles and e-scooters, such as bicycle global positioning system (GPS) trackers. The most important brands in the Bicycle Products category in France are Garmin, Bryton, Sena, Citybug and Unagi.

With the PowerFactory Acquisition in May 2022, Duell entered the Nordic bicycle spare parts and accessories market with an extensive product offering. The most important brands in this category in the Nordics are Continental, Held and SKF.

Sales in the Bicycle Products category are mainly concentrated in France, Finland and Sweden and the aim is also to enter other European markets with a bicycle product offering.

Marine Products

Duell's Marine Products category includes an offering of spare parts, such as navigation systems, anchoring, steering and control cables and water sport equipment, such as jet ski parts and life jackets. The most important brands in the Marine Products category are Baltic, Osculati and Jobe.

Duell's Marine Products category is also subject to seasonal fluctuation and sales in the Marine Products category are typically lower in Duell's first and second financial quarters. However, the decreased sales during the winter months are typically offset, in turn, by the increased sales of Duell's Snowmobile Gear and Technical Products during Duell's first and second financial quarters.

Sales in the Marine Products category are substantially higher in Finland compared to the other regions in which Duell operates.

Brands

In recent years, Duell's brand portfolio has grown steadily, and as at August 31, 2023, Duell's brand portfolio, including both third-party and own brands, consisted of more than 550 brands (compared to 490 brands as at August 31, 2022, 291 brands as at August 31, 2021, and 238 brands as at August 31, 2020). Duell's third-party brand portfolio includes top brands, such as Airoh, Alpinestars, Cardo, Continental, Dunlop, HJC, Michelin, Oakley, Pirelli, Rukka, Schubert, Scorpio and Sena, some of which Duell has managed to gain exclusivity for certain markets. Duell also offers a wide range of products from brands that are lesser-known that often provide exclusivity opportunities. In addition, Duell offers a wide range of other brands that focus more on the product and less on the brand value. For the financial year ended August 31, 2023, third-party brands accounted for approximately 78 percent of Duell's net sales.

In addition to the distribution of third-party brands, Duell's offering includes approximately 20 own brands, including in-house and private label brands. Duell's own motorcycle garment brands Halvarssons and Lindstrands were acquired in 2019 from Jofama AB. Halvarssons motorcycle garments have a classic design, but also aim to provide comfort and functionality. Halvarssons uses technologies, such as Outlast, TFL Cool System and Dryway to regulate temperatures in its garments and ensure that, for example, even clothing made of black leather absorb no more heat than light-colored materials. Lindstrands motorcycle garments are more technical and weather-resistant with a more sporty appearance with a particular focus on technical and weather-resistant design, which make them ideal for long-distance travel. Duell believes that its own brands, particularly Halvarssons, Lindstrands and Amog, provide Duell with a platform to further increase its share of wallet amongst its current customer base in addition to being the key in entering new markets and penetrating new customer segments inside home markets by introducing products that are currently not present in the market or are currently covered by other brands to which other distributors hold exclusive rights.

Duell's offering also includes other own brands, including Black Island, Snowpeople, SnoX, SeaX and TecX, which provide an attractive quality-to-price ratio also enabling new market entries and new customer segment penetration. Duell's own branded products generally have higher margins than third-party branded products due to, for example, large order volumes and direct purchasing from the manufacturer. Direct purchases from the manufacturer eliminate extra costs usually incurred in connection with the distribution of third-party brands. In addition, Duell's position in the Nordics and in the Baltics allows Duell to exert flexibility in setting higher prices for certain own brand products.

For the financial year ended August 31, 2023, 21.8 percent of Duell's net sales was generated by Duell's own brands, 20.7 percent for the financial year ended August 31, 2022, and 21 percent for the financial year ended August 31, 2021. Duell also estimates, that the share of its own brands will continue to grow and that they will generate more than 25 percent of net sales in the medium term. Such sales are mainly generated in the Onroad/Offroad MC Gear, Snowmobile Gear and Technical Products and ATV categories.

Duell's Operations and Value Chain

Overview on Value Chain

As a distributor, Duell operates between brand owners and dealers by sourcing from brand owners' collections and distributing them to dealers that sell the products to end customers that are mostly consumers. Duell also offers products that it procures directly from manufacturers and sells under its own brands to complement its offering. Duell believes that the most important way to bring value to both directions of the value chain (*i.e.*, to both brand owners and dealers) is through economies of scale and quality service to both brand owners and customers. Duell is able to offer its brand portfolio of more than 550 brands consisting of approximately 150,000 SKUs to dealers and, in turn, provide brand owners a reach of approximately 8,500 dealers as at the date of this Offering Circular. Economies of scale is enabled by Duell's

warehousing capabilities and efficient logistics operations, which allow extensive stock-keeping for brands, which simultaneously ensures availability of products from many brands enabling a one-stop-shop approach towards dealers.

Purchasing and Quality Control

Suppliers and Purchasing

Duell has approximately 600 different suppliers that are geographically diversified around the world, and Duell's own brand products are manufactured by third-party suppliers mainly located in Asia. The diversified approach to sourcing allows Duell to cover the full portfolio of brands and products that its customers seek, while retaining control over its relationships with suppliers and optimizing its sourcing across multiple countries. In addition to its primary suppliers, Duell strives to keep optional suppliers in place for its critical product categories to ensure smooth supply in case of any disruptions.

Duell's purchasing functions are mainly centralized to its operational hubs, which are at its headquarters in Mustasaari, Finland, as well as in Le Cavalier, France, and Veghel, the Netherlands, in order to achieve economies of scale within purchasing, strengthen Duell's bargaining power and simplify control of the supply chain. As at August 31, 2023, Duell had more than 30 employees that were responsible for the purchasing process. Duell's purchasing operations are led by head of categories and category managers, who are responsible for product categories. In addition to products purchased from third-party brands, Duell sells products under its own brands that are manufactured by third-party suppliers. Duell's product development, including, among others, market research, selection of raw materials, design, initial testing, CE certification and marketing, is carried out in-house in cooperation with external experts in different fields depending on the type of the product.

Duell has long-standing relationships with most of its suppliers. A need for new suppliers typically arises when Duell decides to expand its product selection with new brands or products or when Duell considers that a certain product or product category is not sufficiently covered in its offering. When selecting its suppliers, Duell considers the market demand, the quality and price of the products, as well as the supplier's ability to deliver products in a timely manner.

For the financial year ended August 31, 2023, approximately 40 percent of Duell's purchases were made from its ten largest suppliers.

Quality Control and Sustainability

In terms of third-party brands, by using major, known suppliers, Duell benefits from the suppliers' existing requirements regarding quality control, sustainability, working conditions and anti-corruption. For Duell's own brand products, the responsibility for product quality and safety and product approval processes lies with Duell. For example, some of Duell's products are subject to European safety regulations, and as such must be CE certified. Manufacturers have a sole responsibility for declaring conformity with relevant safety regulations and subsequently identifying their products with a CE marking. Duell also uses third-party service providers to review and test new products. Duell's own brand products are manufactured by trusted third-party suppliers that also manufacture some of the third-party brand products included in Duell's product offering.

Duell aims to ensure that both its suppliers and the products it distributes satisfy certain quality, safety and sustainability requirements, but Duell has no centralized quality control, and the quality control in purchasing activities is based on the professional skills of Duell's purchasers, the terms and conditions of the supply agreements and the suppliers' references and other customer relationships, and on how suppliers document their activities and products and whether a supplier is a member of well-known cooperation alliances or organizations for improving ethics and sustainability.

Logistics

Logistics are essential to Duell's business and Duell's optimized delivery through external logistics service providers enables deliveries within 24 hours for approximately 95 percent of the products distributed by Duell in countries where Duell has its own logistics centers. Duell is committed to offering its customers the right product at the right time and to the right place. In addition, fast and efficient deliveries enable Duell's customers, in turn, to provide fast and efficient service to their respective customers. Duell supplies products to a network of dealers located in more than 15 countries.

Duell uses multiple external logistics service providers to execute its deliveries to its customers. Duell has aimed to locate its warehouses strategically in order to best serve dealers in its core markets. As at the date of this Offering Circular, Duell's warehouses are located in Mustasaari, Finland, supplying the Onroad/Offroad MC Technical Products, Snowmobile Gear and Technical Products, ATV and Marine Products categories' deliveries directly to the Finnish, Estonian, Latvian and Lithuanian markets and indirectly to all other markets. The Tranås logistic center in Sweden is mainly supplying the Onroad/Offroad MC Gear and Onroad/Offroad MC Technical Products and ATV categories' deliveries to the Swedish, Norwegian, Danish, United Kingdom and other central and southern European markets and indirectly to Finland. In Tampere, Finland, Duell has its main logistics center for bicycle spare parts and accessories for the Nordic markets. In

addition, Duell has a warehouse in Veghel, the Netherlands, mostly supplying Offroad MC Technical products to Central Europe. Duell's warehouse in Le Cavalier, France, supplies Onroad/Offroad MC Technical Products and Onroad/Offroad MC Gear categories' deliveries mainly to France. All of Duell's warehouses serve all customers regardless of where they are located, and continuous optimization of the utilization of Duell's warehouses plays an essential role in serving its customers in the best possible way. Thus, some products may only be stored in one warehouse and others in multiple or all of Duell's warehouses. Location of inventory is decided on the basis of warehouse capacity and customer locations. Factors that are taken into account when deciding on the optimal location for the products are available space, location of market demand (*i.e.*, where the products would likely be sold) and where similar or connecting products offered by Duell are located at the time.

In order to serve both offline and online dealers, Duell provides system integrations that enable drop-shipping to certain qualified dealers (*i.e.*, allowing dealers to take orders from their own customers without keeping goods in stock themselves), automated processes and orders as well as checking stock availability in real-time. Duell is currently developing a new B2B portal, which is expected to be in use during the financial year 2024. In addition, Duell is continuously improving its PIM platform to increase the overall transparency and coverage of its product information.

Duell's logistics model aims to reduce the environmental impact of the sector by decreasing individual shipments to dealers by aggregating shipments of products from several brands. According to Duell's estimates, by aggregating the shipments of several brands, it is able to decrease the number of shipments by 10–15 percent compared to direct sales from brands. In addition, Duell has a localized warehouse strategy that enables shorter delivery distances and Duell estimates, that during the past three years it has increased the amount of package sizes it offers by over 50 percent, which has reduced Duell's use of packaging materials.

Sales

Duell's overall sales strategy is to provide dealers a broad and relevant product offering at competitive prices with a one-stop-shop approach, efficient electronic ordering process and stock availability and strategically placed warehouses that enable fast and reliable deliveries. For example, Duell provides business-to-business online stores and system integrations that enable cross-docking, drop-shipping, automated processes and orders as well as checking stock availability in real-time and is continuously improving its PIM platform to increase the overall transparency and coverage of product information that adds value to dealers by, among other things, showing compatibility of spare parts. For the financial year ended August 31, 2023, approximately 90 percent of Duell's product orders were received electronically through self-service portals, such as business-to-business online stores and system integrations (compared to approximately 90 percent for the financial year ended August 31, 2022). In addition, Duell also provides brands and dealers sales and aftersales support. Duell also utilizes market knowledge and customer insights of its sales personnel when developing new products in order to meet the latest market trends.

Duell's sales organization is split by market with a combination of its own sales people and an agency network with sales agents. As at the date of this Offering Circular, Duell's sales offices are located in Mustasaari and Tampere, Finland, Tranås, Sweden, Kongsvinger, Norway, Fredericia, Denmark, New Milton, the United Kingdom, Veghel, the Netherlands, and Le Cavalier, France. In addition, as at August 31, 2023, Duell had a sales force of approximately 50 people covering sales to more than 15 countries. Duell's sales representatives have annual sales volume targets, according to which incentives of up to one month's salary are paid, however they do not form a significant portion of Duell's sales representatives' earnings. Duell has showrooms located in Finland, Denmark, Norway, the Netherlands, France and in the United Kingdom.

Marketing

Marketing plays an essential part in being the partner of choice for both dealers and brand owners, and Duell has full-fledged marketing operations that produce content through many channels with an emphasis on the brands it represents. Offline marketing is carried out through magazine advertising, packaging, product manuals and image production, and online marketing by way of various social media channels, such as Facebook, Instagram, YouTube and LinkedIn as well as dealer offers. In addition, Duell produces printed and online product catalogues and arranges activities, such as fairs, events and tours, competitions and utilizes sponsorships, ambassadors and influencers in its marketing.

Customers

As at August 31, 2023, Duell had approximately 8,500 active customers (*i.e.*, customers that have made purchases during the past 12 months), which highlights the highly fragmented Powersports Aftermarket as well as Duell's strong market position. Of Duell's approximately 8,500 active customers as at August 31, 2023, approximately 4,500 dealers were in the Nordics and approximately 4,000 dealers in the rest of Europe. Approximately 400 dealers were gained from the TranAm Acquisition in March 2023.

Duell offers its products across all of its sales channels and believes that while traditional offline dealers currently provide a stable base for sales, online dealers are rapidly growing presenting significant growth opportunities to be leveraged in the

future. Duell believes that it is a trustworthy partner for online dealers in the growing online business-to-consumer market as it is able to provide fast and accurate order processing, one-stop-shop approach in product sourcing, broad product inventory, extensive information available of approximately 150,000 SKUs, dynamic and flexible deliveries, pick-up points and drop-shipping availability enabled by system integrations. From its current strategically placed warehouses, Duell works closely with selected online dealers and offers drop-shipping for these customers (*i.e.*, allowing online dealers to take orders from their own customers without keeping goods in stock themselves). Duell also aims to effectively support traditional offline customers in making the shift towards the online dealer space in addition to supporting traditional offline dealers by providing local service and knowledge of the market in their local language. While in online sales Duell has minimum impact on sales, quantity and products, offline sales enable Duell to utilize the expertise of its sales representatives who can impact the orders that are made and can emphasize the selling of existing stock. Duell's large stock and fast delivery times accommodate both online and traditional offline customers.

Duell's customer base is diverse and highly fragmented with customers comprising offline dealers (*i.e.*, retail shops, specialty shops, repair shops and powersport manufacturers) and online dealers. Duell does not sell directly to consumers. For the financial years ended August 31, 2023 and 2022, approximately 75.3 percent and 74.8 percent, respectively, of Duell's net sales was generated by traditional offline dealers, such as Nordic dealers and European dealers. For the financial years ended August 31, 2023 and 2022, 24.7 percent and 25.2 percent, respectively, of Duell's net sales was generated by online sales. Of Duell's net sales for the financial year ended August 31, 2023, approximately 20 percent was generated by ten of Duell's largest customers and approximately 10 percent by its top two largest customers in total.

Duell's agreements with its customers are typically framework agreements, under which deliveries to customers are made based on purchase orders. Prices under the framework agreements are subject to change and customer price lists are updated to the dealers' self-service portal on Duell's website monthly. Framework agreements with key customers are typically renewed annually. Duell also provides flexible payment terms, which is especially important to smaller dealers.

Responsibility

Responsibility is an important part of Duell's values and operations as a company. Duell's responsibility is based on the United Nations Agenda for Sustainable Development (Agenda 2030), of which Duell has selected the most important areas for its operations and partners. Duell is committed to respecting human rights and aims to ensure that they are respected throughout its operations. In Duell's view, its operations are conducted in an ethical and honest manner, and any form of bribery or corruption is not accepted in its or its partners' operations. Duell is preparing a company-level code of conduct.

Duell began developing its sustainability program in 2023. Duell initiated a comprehensive inquiry to identify and prioritize critical aspects of its operations for each stakeholder group. The survey targeted the most essential stakeholders and responses were received from 24 participants. In collaboration with the Board of Directors of the Company, Duell's management team assessed the themes identified in the survey, aligned them with the Company's strategy and evaluated their business impact. As a result, Duell identified responsible offering, emission minimization, employee well-being and safety, trust-based corporate culture, good governance and responsible partnerships as six themes, in addition to which, 19 sub-topics were identified. In relation to responsible offering, Duell aims to offer an ecological offering and expand it as well as to ensure product safety and compliance with regulations. In relation to emission minimization, Duell aims to minimize emissions from its own production and to ensure energy efficiency as well as to pay attention to emissions and the efficiency of logistics. In relation to employee well-being and safety, Duell aims to focus on both the well-being of its own personnel and the well-being at work as well as occupational safety in production chain of its own production. In addition, Duell aims to take care for its part of occupational safety in logistics. In order to build and maintain trust-based corporate culture, Duell aims to engage the personnel and ensure their non-discriminating and equal treatment. In relation to good governance, Duell focuses especially on anti-corruption and anti-bribery and transparency of governance. To ensure responsible partnerships and management, Duell aims to ensure that human rights and environment are respected in its supply chain and by aiming to be fair and responsible partner for its customers, partners and employees.

Investments

Duell's investments for the financial year ended August 31, 2023, amounted to EUR 2,481 thousand, and were mainly related to the new B2B portal, which is expected to be in use during the financial year 2024, and other long-term expenditures related to the profitability and net working capital program. Duell's investments related to M&A activities for the financial year ended August 31, 2023, amounted to EUR 11,267 thousand and related to the TranAm Acquisition.

Duell's investments for the financial year ended August 31, 2022, amounted to EUR 915 thousand. Duell's investments related to M&A activities for the financial year ended August 31, 2022, amounted to EUR 10,121 thousand and related to the acquisitions of TMV and PowerFactory.

As at the date of this Offering Circular, Duell's ongoing investments are mainly related to the new B2B portal, with approximately EUR 600 thousand in outstanding investments as at the date of this Offering Circular. Duell will finance these investments with cash flows generated from its operating activities.

Duell has not made any other material investments between August 31, 2023, and the date of this Offering Circular.

Capital Resources and Liabilities

Capital Resources

Duell has historically financed its operations with cash flow from operations as well as borrowings from financial institutions. In addition, Duell carried out the Directed Share Issue (as defined below) of EUR 8.7 million on March 1, 2023. Duell's liquidity requirements principally arise from regular operating expenses, expansion of its business in new markets (including acquisitions) and financing of working capital.

As at August 31, 2023, Duell's cash and cash equivalents amounted to EUR 2,386 thousand and total interest-bearing liabilities amounted to EUR 40,634 thousand, of which EUR 6,288 thousand is included in other current liabilities. Of Duell's current liabilities, bank loans accounted for EUR 2,712 thousand and the deferred purchase price relating to the TranAm Acquisition accounted for EUR 5,580 thousand as at August 31, 2023. In addition, Duell had available EUR 21,795 thousand of undrawn revolving credit facility/additional credit under the Facilities Agreement.

Liabilities

The following table sets forth Duell's outstanding non-current and current liabilities as at the dates indicated:

| | <u>As at August 31,</u> | |
|--|-------------------------|---------------|
| | <u>2023</u> | <u>2022</u> |
| | (audited) | |
| | (EUR in thousands) | |
| Non-current liabilities | | |
| Loans from financial institutions | 32,148 | 45,498 |
| Deferred tax liabilities | 17 | 78 |
| Other liabilities | 97 | 93 |
| Total non-current liabilities..... | <u>32,262</u> | <u>45,669</u> |
| Current liabilities | | |
| Loans from financial institutions | 2,198 | 3,140 |
| Trade payables | 12,073 | 7,593 |
| Other current liabilities | 9,145 ⁽¹⁾ | 3,976 |
| Accrued expenses and deferred income | 2,921 | 3,237 |
| Total current liabilities..... | <u>26,337</u> | <u>17,946</u> |
| Total liabilities | <u>58,600</u> | <u>63,615</u> |

(1) Includes the deferred purchase price relating to the TranAm Acquisition of EUR 5,580 thousand.

On November 29, 2023, Duell entered into an amendment and restatement agreement with Nordea (the "**Amendment and Restatement Agreement**") pursuant to which the Facilities Agreement originally dated July 29, 2021 (as amended and/or restated from time to time) was amended and restated (the amended and restated facilities agreement being referred to as the "**Amended and Restated Facilities Agreement**"). As Duell was not able to meet the covenants of the Facilities Agreement at the end of the financial year ended August 31, 2023, due to weaker profitability, Duell received a waiver from Nordea stating that despite Duell not meeting the financial covenants, the Facilities Agreement will continue to be in force in accordance with the original repayment schedule. In the Amendment and Restatement Agreement, Duell and Nordea renegotiated certain terms and conditions of the Facilities Agreement, including the financial covenants, and with the Amendment and Restatement Agreement, Nordea waived the financial covenants for the quarter ended November 20, 2023, and the quarter ending February 29, 2024. The Amendment and Restatement Agreement and the Amended and Restated Facilities Agreement are conditional upon the fulfillment of certain conditions related to the Offering, such as completing the Offering with proceeds of at least EUR 15 million no later than on February 28, 2024, and if the conditions are not fulfilled, the Amendment and Restatement Agreement will be canceled and the Facilities Agreement will be applied as if the Amendment and Restatement Agreement had not been entered into. The Facilities Agreement provides for three term facilities and one revolving credit facility in the aggregate amount of approximately EUR 58.5 million, which have been used for the purposes of, *inter alia*, refinancing certain existing debt and financing the Tecno Globe Acquisition and the PowerFactory Acquisition as well as have been used and can be used as general corporate and working capital purposes of Duell and its subsidiaries. The termination date for the Facilities Agreement is February 24, 2028. The Facilities Agreement is secured by certain Finnish business mortgage notes of, and is guaranteed by, Duell and Duell Bike-Center. Amendments to the above-mentioned loan amount, purposes for uses, final due date, security or guarantee were not agreed in the Amendment and Restatement Agreement.

The Facilities Agreement and the Amended and Restated Facilities Agreement include customary financial covenants. Financial covenants to be complied with are gearing, leverage (the ratio of total net debt to EBITDA) and in the Amended and Restated Facilities Agreement also EBITDA. Duell's gearing ratio is evaluated annually for the previous 12 months and it must be less than 120 percent for each 12-month period. Duell's leverage is evaluated quarterly for the previous

12 months and it must be less than a certain threshold which, in accordance with the Amended and Restated Facilities Agreement, after May 31, 2024, varies between 3.0:1 and 7.0:1 for each 12-month period depending on the quarter date on which leverage is evaluated, and in accordance with the Facilities Agreement, after November 30, 2023, varies between 3.0:1 and 4.5:1 for each 12-month period depending on the quarter on which leverage is evaluated. Duell’s EBITDA is evaluated in accordance with the Amended and Restated Facilities Agreement on a one-off basis on February 28, 2024, and May 31, 2024, for the preceding three months and it must be at least EUR 500,000 and EUR 2,500,000, respectively, for the relevant period.

Information Technology

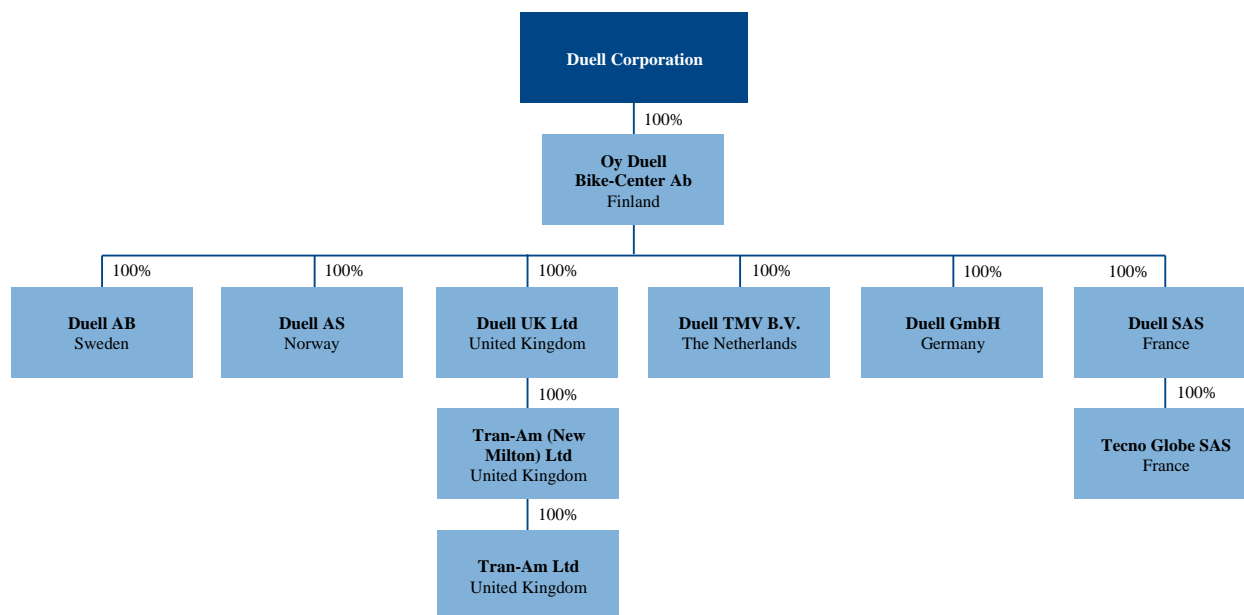
Duell believes that it has an efficient, integrated and scalable IT infrastructure and applications that support its business and its development covering essential aspects of both its current and future business, such as the Akeneo PIM (product information management) platform, ERP (enterprise resource planning software), WMS (warehouse management system), ordering systems, including the new B2B portal, as well as purchase and forecasting tool, online store solution, sales and purchase analytics, inventory management, logistics, human resources, finances and other administrative systems. Duell believes that IT infrastructure is essential in meeting the demands of both traditional offline dealers as well as online dealers with consumers shifting towards online channels for powersports technical and spare parts and personal equipment product purchases. Duell utilizes salary management solutions and financial reporting tools and protected and backed-up servers. Duell’s key IT systems have been sourced from third-party service providers.

Intellectual Property Rights

Duell’s registered intellectual property rights include trademarks and domain names. Duell has registered, *inter alia*, the trademarks “Duell,” “Bronco” and “Halvarssons” in multiple jurisdictions. In addition, Duell has registered internet domain names, such as “duell.fi,” and “duell.se.” Duell believes that its registered trademarks are important for its business and Duell invests in retaining and growing the value of its brands. The holder of the majority of the intellectual property rights is Duell Bike-Center. Duell does not have any patents or designs.

Group Legal Structure

Duell Corporation is the Group’s parent company. The following chart sets forth the Group legal structure as at the date of this Offering Circular:



Organization and Personnel

As at August 31, 2023, Duell had a total of 212 employees, of which 47 percent were based in Finland, 19 percent in Sweden, 15 percent in France, 11 percent in the United Kingdom, 5 percent in the Netherlands, 2 percent in Norway and 1 percent in Germany. There have been no significant changes in the number of employees since August 31, 2023. The Group’s personnel primarily work under permanent employment contracts.

The following table sets forth the number of Duell’s full-time equivalent employees (fixed-term and part-time employees have been converted into full-time equivalent employees by dividing working hours by the average yearly working hours) by function as at the dates indicated:

| | August 31, | |
|-------------------------------|-------------------|-------------|
| | 2023 | 2022 |
| Sales..... | 44 | 49 |
| Warehouse and logistics | 85 | 82 |
| Products and brands | 32 | 39 |
| Other ⁽¹⁾ | <u>51</u> | <u>53</u> |
| Total..... | <u>212</u> | <u>222</u> |

(1) Other employees include personnel in the Finance, ICT, Business Support, Marketing and E-Commerce functions.

Insurance

Duell believes that Duell and its subsidiaries maintain insurance coverage that reflects the requirements and the size of the group, business and subsidiaries concerned and is consistent with the industry practice. Duell’s insurance policies include, among others, property insurance, business interruption insurance, liability insurance, legal expenses insurance, transport insurance, car insurance, occupational accident insurance and travel insurance.

Real Estate and Leases

Duell’s headquarters, sales offices and warehouses are located on leased properties. The office premises and warehouses in Mustasaari, Finland, have been under major renovations between 2022–2023, and are leased until December 31, 2030. The premises in Tranås, Sweden, are leased until March 31, 2028. The lease agreements for both Mustasaari, Finland, and Tranås, Sweden, are automatically extended for five years, unless the agreements are terminated 12 months before the end of the first lease term. After the next lease term of five years, the agreements will be valid until further notice. The warehouse in Tampere, Finland, is leased until August 31, 2027, the warehouse in Veghel, Netherlands, is leased until January 31, 2028, the warehouse in Le Cavalier, France, is leased until September 30, 2031, and the warehouse in New Milton, the United Kingdom, is leased until January 20, 2026.

As at the date of this Offering Circular, Duell’s sales offices are located in Mustasaari, Finland, Tranås, Sweden, Kongsvinger, Norway, Fredericia, Denmark, Coalville and Newbury, the United Kingdom, Veghel, the Netherlands, and Le Cavalier, France.

Material Contracts

Except as set forth below, there are no contracts (other than contracts entered into in the ordinary course of business) to which Duell is a party that: (i) are, or may be, material to it and that have been entered into in the two financial years immediately preceding the date of this Offering Circular; or (ii) contain any obligations or entitlements that are, or may be, material to Duell as at the date of this Offering Circular.

Placement Agreement

The Company and the Global Coordinator have on November 30, 2023, entered into a placement agreement (the “**Placement Agreement**”). For additional information, see “*Plan of Distribution—Placement Agreement.*”

TranAm Acquisition

On February 27, 2023, Duell entered into a share purchase agreement with the Lloyd family to acquire the entire share capital of TranAm. The first instalment of approximately 60 percent of the total purchase price of GBP 11.9 million was paid on March 8, 2023. The second instalment of approximately GBP 4.9 million will preliminarily become payable on December 20, 2023. If Duell does not pay the second instalment of the purchase price by such date, interest for the deferred purchase price will increase from 4 percent to 8 percent. Duell expects to pay the second instalment of the purchase price approximately during the first quarter of calendar year 2024. Duell carried out a directed share issue of 5,090,900 new Shares in a directed share issue to a limited number of institutional and other investors in deviation of the pre-emptive subscription right of the shareholders (the “**Directed Share Issue**”) on March 1, 2023, to raise gross proceeds of EUR 8.7 million and to finance the first instalment of the purchase price.

TranAm is, according to Duell’s estimate, a leading distributor and wholesaler of premium clothing and accessories for motorcycling in the United Kingdom measured by revenue. The TranAm Acquisition is part of Duell’s growth strategy and supports Duell’s geographical expansion and brand portfolio development. The TranAm Acquisition strengthens Duell’s foothold in the large United Kingdom market and provides a platform for Duell’s future growth.

Facilities Agreement

On November 29, 2023, Duell entered into the Amendment and Restatement Agreement for the purposes of amending certain terms, such as financial covenants, of the Facilities Agreement. For more information on the Facilities Agreement and the Amendment and Restatement Agreement, see “—*Capital Resources and Liabilities—Liabilities*” above.

Regulation

Duell must comply with laws and regulations enacted on both national and EU level concerning its operations in relation to matters including health, safety, consumer protection and marketing, general product safety, environment, employment, competition, company law, data protection, international trade and taxation in all of the countries in which Duell pursues business. For example, sales of certain products that Duell offers are more affected by regulation than others, such as helmets in the clothing market or must-have technical and spare parts that require regular replacements, such as tires.

Legal Proceedings

Duell has no pending governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Duell is aware) which may have, or have had, in the past 12 months, a significant effect on the Company or the financial position or profitability of the Company and/or its subsidiaries.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following tables set forth selected consolidated financial information for the Company as at and for the financial years ended August 31, 2023 and 2022. The financial information presented below has been derived from the Audited Consolidated Financial Statements prepared in accordance with the Finnish Accounting Standards (FAS). The selected financial information presented herein should be read together with “*Certain Matters—Presentation of Financial Information*” and the Audited Consolidated Financial Statements incorporated by reference into this Offering Circular.

| | For the financial year ended August 31, | |
|--|--|-----------------|
| | 2023 | 2022 |
| | (audited) | |
| | (EUR in thousands) | |
| CONSOLIDATED INCOME STATEMENT | | |
| Net sales..... | 118,832 | 123,991 |
| Other operating income..... | 221 | 411 |
| Materials and services: | | |
| Materials and consumables: | | |
| Purchases during the financial period | (81,351) | (94,967) |
| Change in inventories, increase (-) or decrease (+)..... | (2,886) | 6,551 |
| External services..... | <u>(6,251)</u> | <u>(5,969)</u> |
| Materials and services, total..... | (90,488) | (94,384) |
| Personnel expenses: | | |
| Wages and salaries | (9,922) | (8,821) |
| Other personnel expenses: | | |
| Pension expenses | (1,268) | (949) |
| Other social expenses..... | <u>(1,569)</u> | <u>(1,470)</u> |
| Personnel expenses, total | (12,760) | (11,241) |
| Depreciation according to plan | (3,265) | (2,479) |
| Other operating expenses..... | <u>(11,499)</u> | <u>(11,394)</u> |
| Operating profit (-loss) | 1,041 | 4,904 |
| Financial income and expenses: | | |
| Other interest and financial income | 1,614 | 1,078 |
| Interest and other financial expenses..... | <u>(5,044)</u> | <u>(2,989)</u> |
| Financial income and expenses, total..... | <u>(3,430)</u> | <u>(1,911)</u> |
| Profit (-loss) before appropriations and taxes | (2,389) | 2,993 |
| Income taxes | <u>(438)</u> | <u>(1,065)</u> |
| Profit (-loss) for the financial year | <u>(2,827)</u> | <u>1,928</u> |

| | As at August 31, | |
|---|---------------------------|---------------|
| | 2023 | 2022 |
| | (audited) | |
| | (EUR in thousands) | |
| CONSOLIDATED BALANCE SHEET | | |
| Assets | | |
| Non-current assets | | |
| Intangible assets: | | |
| Intangible rights..... | 419 | 702 |
| Goodwill..... | 21,345 | 16,371 |
| Other intangible assets..... | 758 | 338 |
| Assets under construction..... | <u>1,826</u> | <u>283</u> |
| Intangible assets, total..... | <u>24,348</u> | <u>17,694</u> |
| Tangible assets: | | |
| Machinery and equipment..... | <u>848</u> | <u>935</u> |
| Tangible assets, total..... | <u>848</u> | <u>935</u> |
| Non-current assets, total..... | 25,196 | 18,630 |
| Current assets | | |
| Current assets | | |
| Inventories..... | 49,503 | 47,880 |
| Advance payments..... | <u>945</u> | <u>3,367</u> |
| Current assets, total..... | 50,448 | 51,246 |
| Receivables | | |
| Non-current receivables: | | |
| Other non-current receivables..... | <u>159</u> | <u>166</u> |
| Non-current receivables, total..... | 159 | 166 |
| Current receivables: | | |
| Trade receivables..... | 15,758 | 20,307 |
| Loan receivables..... | 3 | 4 |
| Other current receivables..... | 544 | 200 |
| Pre-paid expenses and accrued income..... | <u>988</u> | <u>849</u> |
| Current receivables, total..... | 17,293 | 21,359 |
| Cash and cash equivalents..... | <u>2,386</u> | <u>4,066</u> |
| Current assets, total..... | <u>70,287</u> | <u>76,838</u> |
| Assets, total..... | <u>95,483</u> | <u>95,468</u> |
| Equity and liabilities | | |
| Equity | | |
| Share capital..... | 80 | 80 |
| Reserve for invested unrestricted equity..... | 32,887 | 24,233 |
| Retained earnings..... | 6,743 | 5,612 |
| Profit (-loss) for the financial year..... | <u>(2,827)</u> | <u>1,928</u> |
| Equity, total..... | 36,883 | 31,853 |
| Liabilities | | |
| Non-current liabilities | | |
| Loans from financial institutions..... | 32,148 | 45,498 |
| Deferred tax liabilities..... | 17 | 78 |
| Other liabilities..... | <u>97</u> | <u>93</u> |
| Non-current liabilities, total..... | 32,262 | 45,669 |
| Current liabilities | | |
| Loans from financial institutions..... | 2,198 | 3,140 |
| Trade payables..... | 12,073 | 7,593 |
| Other current liabilities..... | 9,145 | 3,976 |
| Accrued expenses and deferred income..... | <u>2,921</u> | <u>3,237</u> |
| Current liabilities, total..... | <u>26,337</u> | <u>17,946</u> |
| Liabilities, total..... | <u>58,600</u> | <u>63,615</u> |
| Equity and liabilities, total..... | <u>95,483</u> | <u>95,468</u> |

| | As at and for the financial year ended August 31, | |
|--|--|--------------|
| | 2023 | 2022 |
| | (audited) | |
| | (EUR in thousands) | |
| CONSOLIDATED CASH FLOW STATEMENT DATA | | |
| Net cash flow from operating activities | 14,392 | (6,528) |
| Net cash flow from investing activities..... | (9,420) | (12,503) |
| Net cash flow from financing activities | (4,901) | 20,879 |
| Unrealized exchange rate and currency translation differences | <u>(1,751)</u> | <u>(596)</u> |
| Changes in cash and cash equivalents..... | (1,680) | 1,252 |
| Cash and cash equivalents at the beginning of the financial year | <u>4,066</u> | <u>2,815</u> |
| Cash and cash equivalents at the end of the financial year | <u>2,386</u> | <u>4,066</u> |

There are no qualifications in the audit reports relating to the Audited Consolidated Financial Statements, but the audit report for the financial year ended August 31, 2023, includes the following note:

“Emphasis of Matter – Financial Loan Covenants

We would like to draw attention to the section going concern in the notes to the financial statements, which describes the financial loan covenants. The conditions for the covenants were not met at the financial statement date. According to the financing agreement, in event of a breach of the covenants, the bank has the right to terminate the loans and demand repayment. The breach of covenants has been approved in writing by the bank on August 31, 2023, valid until the next review date. The next review of covenants is on November 30, 2023, when according to the Company’s forecast, the covenant conditions will not be met. The Company is in negotiations with the bank to amend the covenant levels in the financing agreement.

Our opinion is not modified in respect of this matter.”

| | As at and for the financial year ended August 31, | |
|---|--|-------------|
| | 2023 | 2022 |
| | (unaudited, unless otherwise indicated) | |
| | (EUR in thousands, unless otherwise indicated) | |
| KEY FIGURES | | |
| Net sales ⁽¹⁾ | 118,832 | 123,991 |
| Net sales growth ⁽²⁾ , percent..... | (4.2) | 61.5 |
| Constant currency net sales growth ⁽³⁾ , percent..... | (1.0) | 61.9 |
| Organic constant currency net sales growth ⁽⁴⁾ , percent..... | (15.6) | 15.7 |
| Gross margin ⁽⁵⁾ | 28,344 | 29,607 |
| Gross margin ⁽⁶⁾ , percent..... | 23.9 | 23.9 |
| EBITDA ⁽⁷⁾ | 4,307 | 7,383 |
| EBITDA margin ⁽⁸⁾ , percent..... | 3.6 | 6.0 |
| Items affecting comparability ⁽⁹⁾ | 1,193 | 2,074 |
| Adjusted EBITDA ⁽¹⁰⁾ | 5,499 | 9,457 |
| Adjusted EBITDA margin ⁽¹¹⁾ , percent..... | 4.6 | 7.6 |
| EBITA ⁽¹²⁾ | 3,401 | 6,652 |
| EBITA margin ⁽¹³⁾ , percent..... | 2.9 | 5.4 |
| Adjusted EBITA ⁽¹⁴⁾ | 4,594 | 8,726 |
| Adjusted EBITA margin ⁽¹⁵⁾ , percent..... | 3.9 | 7.0 |
| Operating profit ⁽¹⁾ | 1,041 | 4,904 |
| Operating profit margin ⁽¹⁶⁾ , percent..... | 0.9 | 4.0 |
| Adjusted operating profit ⁽¹⁷⁾ | 2,234 | 6,978 |
| Adjusted operating profit margin ⁽¹⁸⁾ , percent..... | 1.9 | 5.6 |
| Earnings per Share, basic ⁽¹⁹⁾ , EUR..... | (0.10) | 0.08 |
| Earnings per Share, diluted ⁽²⁰⁾ , EUR..... | (0.10) | 0.08 |
| Number of outstanding Shares at the end of the period, basic ⁽²¹⁾ | 30,545,474 | 25,454,574 |
| Number of outstanding Shares at the end of the period, diluted ⁽²²⁾ | 30,545,474 | 25,454,574 |
| Weighted average number of Shares, basic ⁽²³⁾ | 27,937,259 | 25,454,574 |
| Weighted average number of Shares, diluted ⁽²⁴⁾ | 27,937,259 | 25,454,574 |
| Investments in tangible and intangible assets excluding acquisitions ⁽¹⁾⁽²⁵⁾ | 2,481 | 915 |
| Net debt ⁽²⁶⁾ | 38,248 | 44,571 |
| Net working capital ⁽²⁷⁾ | 49,873 | 57,718 |
| Operating free cash flows ⁽²⁸⁾ | 16,392 | (1,818) |
| Number of brands ⁽²⁹⁾ | 562 | 496 |
| Share of own brand sales, percent of total net sales ⁽³⁰⁾ , percent..... | 21.8 | 20.7 |
| Share of online sales, percent of total net sales ⁽³¹⁾ , percent..... | 24.7 | 25.2 |
| Equity ratio ⁽³²⁾ , percent..... | 38.6 | 33.4 |
| Return to equity ⁽³³⁾ , percent..... | 8.2 | 9.1 |
| Full-time equivalent employees, average ⁽³⁴⁾⁽³⁵⁾ | 218 | 193 |
| Wages and salaries ⁽¹⁾ | (9,922) | (8,821) |
| Gearing ⁽³⁶⁾ , percent..... | 104 | 140 |
| Leverage ⁽³⁷⁾ | 7.0 | 4.7 |

(1) Audited.

$$(2) \quad \text{Net sales growth, percent} = \frac{\text{Net sales for the financial year} - \text{Net sales for the preceding financial year}}{\text{Net sales for the preceding financial year}} \times 100$$

Net sales growth presents the development of Duell's net sales.

Net sales for the financial year translated at fixed foreign exchange rates for the financial year - Net sales for the preceding financial year translated at fixed foreign exchange rates for the financial year

$$(3) \quad \text{Constant currency net sales growth, percent} = \frac{\text{Net sales for the financial year translated at fixed foreign exchange rates for the financial year} - \text{Net sales for the preceding financial year translated at fixed foreign exchange rates for the financial year}}{\text{Net sales for the preceding financial year translated at fixed foreign exchange rates for the financial year}} \times 100$$

Constant currency net sales growth presents the development of Duell's net sales excluding the effect of foreign exchange rate fluctuations.

Constant currency

$$(4) \quad \text{Organic constant currency net sales growth, percent} = \frac{\text{Constant currency net sales for the financial year} - \text{Acquisition adjustment} - \text{Constant currency net sales for the preceding financial year} - \text{Acquisition adjustment}}{\text{Constant currency net sales for the preceding financial year} - \text{Acquisition adjustment}} \times 100$$

Organic constant currency net sales growth presents the development of Duell's net sales excluding the impact of M&A activities and foreign currency effects.

| | | |
|------|----------------------------------|---|
| (5) | Gross margin | = Net sales - Materials and services |
| | | Gross margin is a measure used to assess Duell's efficiency at using its labor resources and supplies in producing goods and services. |
| (6) | Gross margin, percent | = $\frac{\text{Gross margin}}{\text{Net sales}} \times 100$ |
| | | Gross margin is a measure used to assess Duell's efficiency at using its labor resources and supplies in producing goods and services. |
| (7) | EBITDA | = Operating profit + Depreciation according to plan |
| | | EBITDA is an internal measure used to assess Duell's performance. |
| (8) | EBITDA margin, percent | = $\frac{\text{EBITDA}}{\text{Net sales}} \times 100$ |
| | | EBITDA margin is an internal measure used to assess Duell's performance. |
| (9) | Items affecting comparability | = Material items outside the ordinary course of business, including restructuring costs, net gains or losses from sale of business operations or other non-current assets, strategic development projects, external advisory costs related to capital reorganization, impairment charges on non-current assets incurred in connection with restructurings, compensation for damages and transaction costs related to business acquisitions. |
| | | Items affecting comparability is presented in addition to EBITDA, EBITA and operating profit to reflect Duell's underlying business performance and to enhance comparability between periods. |
| (10) | Adjusted EBITDA | = EBITDA - Items affecting comparability |
| | | Adjusted EBITDA is presented in addition to gross margin, EBITDA, EBITA and operating profit to reflect Duell's underlying business performance and to enhance comparability between periods. Duell believes that these adjusted performance measures provide meaningful supplemental information by excluding items outside normal business, which reduce comparability between periods. |
| (11) | Adjusted EBITDA margin, percent | = $\frac{\text{Adjusted EBITDA}}{\text{Net sales}} \times 100$ |
| | | Adjusted EBITDA margin is presented in addition to gross margin, EBITDA, EBITA and operating profit to reflect Duell's underlying business performance and to enhance comparability between periods. Duell believes that these adjusted performance measures provide meaningful supplemental information by excluding items outside normal business, which reduce comparability between periods. |
| (12) | EBITA | = Operating profit + Amortization of consolidated goodwill |
| | | EBITA is an internal measure used to assess Duell's performance. |
| (13) | EBITA margin, percent | = $\frac{\text{EBITA}}{\text{Net sales}} \times 100$ |
| | | EBITA margin is an internal measure used to assess Duell's performance. |
| (14) | Adjusted EBITA | = EBITA - Items affecting comparability |
| | | Adjusted EBITA is presented in addition to gross margin, EBITDA, EBITA and operating profit to reflect Duell's underlying business performance and to enhance comparability between periods. Duell believes that these adjusted performance measures provide meaningful supplemental information by excluding items outside normal business, which reduce comparability between periods. |
| (15) | Adjusted EBITA margin, percent | = $\frac{\text{Adjusted EBITA}}{\text{Net sales}} \times 100$ |
| | | Adjusted EBITA margin is presented in addition to gross margin, EBITDA, EBITA and operating profit to reflect Duell's underlying business performance and to enhance comparability between periods. Duell believes that these adjusted performance measures provide meaningful supplemental information by excluding items outside normal business, which reduce comparability between periods. |
| (16) | Operating profit margin, percent | = $\frac{\text{Operating profit}}{\text{Net sales}} \times 100$ |
| | | Operating profit margin is an internal measure used to assess Duell's performance. |
| (17) | Adjusted operating profit | = Operating profit - Items affecting comparability |
| | | Adjusted operating profit is presented in addition to gross margin, EBITDA, EBITA and operating profit to reflect Duell's underlying business performance and to enhance comparability between periods. Duell believes that these adjusted performance measures provide meaningful supplemental information by excluding items outside normal business, which reduce comparability between periods. |

| | | | | |
|------|--|---|---|---|
| (18) | Adjusted operating profit margin, percent | = | $\frac{\text{Adjusted operating profit}}{\text{Net sales}} \times 100$ | <p>Adjusted operating profit margin is presented in addition to gross margin, EBITDA, EBITA and operating profit to reflect Duell's underlying business performance and to enhance comparability between periods. Duell believes that these adjusted performance measures provide meaningful supplemental information by excluding items outside normal business, which reduce comparability between periods.</p> |
| (19) | Earnings per Share, basic, EUR | = | $\frac{\text{Profit (-loss) for the financial year}}{\text{Weighted average number of Shares, basic}}$ | <p>Earnings per Share, basic, presents the allocation of Duell's profit (loss) to each Share.</p> |
| (20) | Earnings per Share, diluted, EUR | = | $\frac{\text{Profit (-loss) for the financial year}}{\text{Weighted average number of Shares, diluted}}$ | <p>Earnings per Share, diluted, presents the allocation of Duell's profit (loss) to each Share adjusted with dilution effect.</p> |
| (21) | Number of outstanding Shares at the end of the period, basic | = | <p>The absolute number of Shares at the end of the period without any potential dilutive Shares.</p> <p>Number of outstanding Shares at the end of the period, basic, presents the total number of Duell's outstanding Shares at the end of the period without potential dilutive Shares.</p> | |
| (22) | Number of outstanding Shares at the end of the period, diluted | = | <p>The number of Shares at the end of the period including total amount of potential dilutive Shares.</p> <p>Number of outstanding Shares at the end of the period, diluted, presents the total number of Duell's outstanding Shares at the end of the period including the total number of potential dilutive Shares.</p> | |
| (23) | Weighted average number of Shares, basic | = | <p>The weighted average number of outstanding Shares during the period.</p> <p>Weighted average number of Shares, basic, is used to calculate earnings per Share, basic.</p> | |
| (24) | Weighted average number of Shares, diluted | = | <p>The weighted average number of outstanding Shares during the period adjusted with any potential dilutive effect.</p> <p>Weighted average number of Shares, diluted, is used to calculate earnings per Share, diluted.</p> | |
| (25) | Investments in tangible and intangible assets excluding acquisitions | = | <p>Investments in tangible and intangible assets - Acquisitions</p> <p>Investments in tangible and intangible assets excluding acquisitions provides additional information on the cash flow needs of Duell's organic operations and it is used to calculate operating free cash flow.</p> | |
| (26) | Net debt | = | <p>Loans from financial institutions + Convertible bonds + Other liabilities - Cash at bank</p> <p>Net debt provides information on the financial stability of Duell.</p> | |
| (27) | Net working capital | = | <p>Inventories + Short-term trade receivables + Loan receivables + Other current receivables + Pre-paid expenses and accrued income - Trade payables - Deferred tax liabilities - Other current liabilities - Accrued expenses and deferred income</p> <p>Net working capital is a measure used by Duell's management to monitor the level of net working capital tied to the operations and changes therein.</p> | |
| (28) | Operating free cash flows | = | <p>Adjusted EBITDA - Investments in tangible and intangible assets excluding acquisitions - Change in working capital</p> <p>Operating free cash flows is an internal measure providing additional information about the cash flows Duell can generate after the investments in tangible and intangible assets excluding acquisitions and change in working capital.</p> | |
| (29) | Number of brands | = | <p>Number of brands during the previous 12 months.</p> <p>Number of brands presents the number of brands in Duell's brand portfolio.</p> | |
| (30) | Share of own brand sales, percent of total net sales, percent | = | $\frac{\text{Net sales generated by Duell's own brands}}{\text{Net sales}} \times 100$ | <p>Share of own brand sales, percent of total net sales, is an internal measure providing additional information on the status of Duell's strategic objective related to brand portfolio development at the time. For more information, see "<i>Business—Duell's Strategy—Key Objectives and Strategic Priorities—Brand Portfolio Development.</i>"</p> |
| (31) | Share of online sales, percent of total net sales, percent | = | $\frac{\text{Duell's estimate of the value of dealers' purchases generated from sales through online channels}}{\text{Net sales}} \times 100$ | <p>Share of online sales, percent of total net sales is an internal measure providing additional information on the development of online sales by Duell's dealers.</p> |

| | | | |
|------|---|---|---|
| (32) | Equity ratio, percent | = | $\frac{\text{Total equity}}{\text{Total assets}} \times 100$ |
| | | | Equity ratio measures Duell's capital adequacy, ability to absorb financial losses and ability to meet its commitments in the long term. |
| (33) | Return to equity, percent | = | $\frac{\text{Profit (-loss) for the financial year}}{\text{Total equity (average for the first and last day of the financial year)}} \times 100$ |
| | | | Return to equity measures the return generated on shareholders' capital invested in Duell. |
| (34) | Full-time equivalent employees, average, includes seasonal employees, as well as 24 TranAm employees as of February 28, 2023. | | |
| (35) | Full-time equivalent employees, average | = | $\text{Average number of full-time employees for the financial year} + \frac{\text{Total hours worked by temporary and part-time employees for the financial year}}{\text{Average working hours of a full-time employee for the financial year}}$ |
| | | | Full-time equivalent employees presents the average number of employees as full-time equivalent employees for the financial year. |
| (36) | Gearing, percent | = | $\frac{\text{Net debt}}{\text{Total equity}} \times 100$ |
| | | | Gearing is a measure used to assess Duell's indebtedness. |
| (37) | Leverage | = | $\frac{\text{Net debt}}{\text{Adjusted EBITDA}} \times 100$ |
| | | | Leverage is a measure used to assess Duell's indebtedness. |

Reconciliation of Alternative Performance Measures

The following table sets forth a reconciliation of the Alternative Performance Measures as at the dates and for the financial years indicated:

| | As at and for the financial year ended August 31, | |
|---|--|----------------|
| | 2023 | 2022 |
| | (unaudited, unless otherwise indicated) | |
| | (EUR in thousands, unless otherwise indicated) | |
| Net sales growth | | |
| Net sales ⁽¹⁾ | 118,832 | 123,991 |
| Net sales growth, percent..... | (4.2) | 61.5 |
| Constant currency net sales growth | | |
| Net sales ⁽¹⁾ | 118,832 | 123,991 |
| Foreign exchange rate adjustment..... | <u>4,044</u> | <u>431</u> |
| Constant currency net sales..... | <u>122,844</u> | <u>124,422</u> |
| Constant currency net sales growth, percent..... | (1.0) | 61.9 |
| Organic constant currency net sales growth | | |
| Net sales ⁽¹⁾ | 118,832 | 123,991 |
| Foreign exchange rate adjustment..... | 4,044 | 431 |
| Acquisition adjustment..... | <u>(18,127)</u> | <u>35,526</u> |
| Organic constant currency net sales..... | <u>104,717</u> | <u>88,896</u> |
| Organic constant currency net sales for the preceding period..... | 124,053 | 76,845 |
| Organic constant currency net sales growth, percent..... | (15.6) | 15.7 |
| Gross margin | | |
| Net sales ⁽¹⁾ | 118,832 | 123,991 |
| Materials and services ⁽¹⁾ | <u>90,488</u> | <u>94,384</u> |
| Gross margin..... | <u>28,344</u> | <u>29,607</u> |
| Gross margin, percent..... | 23.9 | 23.9 |
| EBITDA | | |
| Operating profit ⁽¹⁾ | 1,041 | 4,904 |
| Depreciation according to plan ⁽¹⁾ | <u>3,265</u> | <u>2,479</u> |
| EBITDA..... | <u>4,307</u> | <u>7,383</u> |
| EBITDA margin, percent..... | 3.6 | 6.0 |

| | As at and for the financial year ended August 31, | |
|--|--|-------------------|
| | 2023 | 2022 |
| | (unaudited, unless otherwise indicated) | |
| | (EUR in thousands, unless otherwise indicated) | |
| Items affecting comparability | | |
| Restructuring-related expenses | 843 | – |
| Listing and Directed Share Issue -related expenses | 295 | 2,074 |
| Financing arrangements | 55 | – |
| Items affecting comparability | <u>1,193</u> | <u>2,074</u> |
| Adjusted EBITDA | | |
| Operating profit ⁽¹⁾ | 1,041 | 4,904 |
| Depreciation according to plan ⁽¹⁾ | 3,265 | 2,479 |
| Items affecting comparability | <u>1,193</u> | <u>2,074</u> |
| Adjusted EBITDA | <u>5,499</u> | <u>9,457</u> |
| Adjusted EBITDA margin, percent | 4.6 | 7.6 |
| EBITA | | |
| Operating profit ⁽¹⁾ | 1,041 | 4,904 |
| Amortization consolidated goodwill ⁽¹⁾ | <u>2,360</u> | <u>1,748</u> |
| EBITA | <u>3,401</u> | <u>6,652</u> |
| EBITA margin, percent | 2.9 | 5.4 |
| Adjusted EBITA | | |
| Operating profit ⁽¹⁾ | 1,041 | 4,904 |
| Amortization of consolidated goodwill ⁽¹⁾ | 2,360 | 1,748 |
| Items affecting comparability | <u>1,193</u> | <u>2,074</u> |
| Adjusted EBITA | <u>4,594</u> | <u>8,726</u> |
| Adjusted EBITA margin, percent | 3.9 | 7.0 |
| Operating profit | | |
| Operating profit ⁽¹⁾ | 1,041 | 4,904 |
| Operating profit margin, percent | 0.9 | 4.0 |
| Adjusted operating profit | | |
| Operating profit ⁽¹⁾ | 1,041 | 4,904 |
| Items affecting comparability | <u>1,193</u> | <u>2,074</u> |
| Adjusted operating profit | <u>2,234</u> | <u>6,978</u> |
| Adjusted operating profit margin, percent | 1.9 | 5.6 |
| Earnings per Share, basic | | |
| Profit (-loss) for the financial year ⁽¹⁾ | (2,827) | 1,928 |
| Weighted average numbers of Shares, basic | 27,937,259 | 25,454,574 |
| Earnings per Share, basic, EUR | (0.10) | 0.08 |
| Earnings per Share, diluted | | |
| Profit (-loss) for the financial year ⁽¹⁾ | (2,827) | 1,928 |
| Weighted average numbers of Shares, diluted | 27,937,259 | 25,454,574 |
| Earnings per Share, diluted, EUR | (0.10) | 0.08 |
| Number of outstanding Shares at the end of the period, basic | | |
| Number of outstanding Shares at the beginning of the period, basic | 25,454,574 | 4,312,505 |
| Increase in the number of Shares | – | 17,250,020 |
| Directed Share Issue | <u>5,090,900</u> | <u>3,892,049</u> |
| Number of outstanding Shares at the end of the period, basic | <u>30,545,474</u> | <u>25,454,574</u> |
| Number of outstanding Shares at the end of the period, diluted | | |
| Number of outstanding Shares at the beginning of the period, diluted | 25,454,574 | 4,312,505 |
| Increase in the number of Shares | – | 17,250,020 |
| Directed Share Issue | <u>5,090,900</u> | <u>3,892,049</u> |
| Number of outstanding Shares at the end of the period, diluted | <u>30,545,474</u> | <u>25,454,574</u> |
| Weighted average numbers of Shares, basic | | |
| Number of Shares during the first calculation period | 25,454,574 | 25,454,574 |
| Number of days during the first calculation period | 187 | 365 |
| Number of Shares during the second calculation period | 30,545,474 | – |
| Number of days during the second calculation period | 178 | – |
| Weighted average numbers of Shares, basic | 27,937,259 | 25,454,574 |

| | As at and for the financial year ended August 31, | |
|--|--|-----------------|
| | 2023 | 2022 |
| | (unaudited, unless otherwise indicated) | |
| | (EUR in thousands, unless otherwise indicated) | |
| Weighted average numbers of Shares, diluted | | |
| Number of Shares during the first calculation period adjusted with dilution effect | 25,454,574 | 25,454,574 |
| Number of days during the first calculation period | 187 | 365 |
| Number of Shares during the second calculation period adjusted with dilution effect | 30,545,474 | – |
| Number of days during the second calculation period | 178 | – |
| Weighted average numbers of Shares, diluted | 27,937,259 | 25,454,574 |
| Investments in tangible and intangible assets excluding acquisitions | | |
| Investments in tangible and intangible assets ⁽¹⁾ | 9,420 | 12,503 |
| Acquisitions ⁽¹⁾ | <u>(6,939)</u> | <u>(11,588)</u> |
| Investments in tangible and intangible assets excluding acquisitions | <u>2,481</u> | <u>915</u> |
| Net debt | | |
| Loans from financial institutions ⁽¹⁾ | 34,346 | 48,638 |
| Other liabilities ⁽¹⁾ | 6,288 | – |
| Cash at bank ⁽¹⁾ | <u>(2,386)</u> | <u>(4,066)</u> |
| Net debt | <u>38,248</u> | <u>44,571</u> |
| Net working capital | | |
| Inventories ⁽¹⁾ | 50,448 | 51,246 |
| Short-term trade receivables ⁽¹⁾ | 15,758 | 20,307 |
| Loan receivables ⁽¹⁾ | – | – |
| Other non-current receivables ⁽¹⁾ | 547 | 200 |
| Pre-paid expenses and accrued income ⁽¹⁾ | 988 | 849 |
| Trade payables ⁽¹⁾ | (12,073) | (7,593) |
| Deferred tax liabilities ⁽¹⁾ | – | – |
| Other current liabilities ⁽¹⁾ | (2,874) | (4,054) |
| Accrued expenses and deferred income ⁽¹⁾ | <u>(2,921)</u> | <u>(3,237)</u> |
| Net working capital | <u>49,873</u> | <u>57,718</u> |
| Operating free cash flows | | |
| Adjusted EBITDA | 5,499 | 9,457 |
| Investments in tangible and intangible assets excluding acquisitions ⁽¹⁾ | (2,481) | (915) |
| Change in working capital ⁽¹⁾ | <u>13,374</u> | <u>(10,361)</u> |
| Operating free cash flows | <u>16,392</u> | <u>(1,818)</u> |
| Share of own brand sales, percent of total net sales | | |
| Net sales ⁽¹⁾ | 118,832 | 123,991 |
| Net sales generated by Duell's own brands | 25,863 | 25,622 |
| Share of own brand sales, percent of total net sales, percent | 21.8 | 20.7 |
| Share of online sales, percent of total net sales | | |
| Net sales ⁽¹⁾ | 118,832 | 123,991 |
| Duell's estimate of the value of dealers' purchases generated from sales through online channels | 29,302 | 31,219 |
| Share of online sales, percent of total net sales, percent | 24.7 | 25.2 |
| Equity ratio | | |
| Equity, total ⁽¹⁾ | 36,883 | 31,853 |
| Assets, total ⁽¹⁾ | 95,483 | 95,468 |
| Equity ratio, percent | 38.6 | 33.4 |
| Return to equity | | |
| Profit (-loss) for the financial year ⁽¹⁾ | (2,827) | 1,928 |
| Total equity (average for the first and last day of the period) | 34,368 | 21,186 |
| Return to equity, percent | (8.2) | 9.1 |
| Full-time equivalent employees | | |
| Average number of full-time employees for the financial year | 202.8 | 185.8 |
| Total hours worked by temporary and part-time employees for the financial year | 30,174 | 13,848 |
| Average working hours of a full-time employee for the financial year | 1,937 | 1,937 |
| Full-time equivalent employees, average | 218 | 193 |
| Gearing | | |
| Net debt | 38,248 | 44,571 |
| Equity, total ⁽¹⁾ | 36,883 | 31,853 |
| Gearing, percent | 104 | 140 |

| | As at and for the financial year ended August 31, | |
|-----------------------|--|-------------|
| | 2023 | 2022 |
| | (unaudited, unless otherwise indicated) | |
| | (EUR in thousands, unless otherwise indicated) | |
| Leverage | | |
| Net debt..... | 38,248 | 44,571 |
| Adjusted EBITDA | 5,499 | 9,457 |
| Leverage | 7.0 | 4.7 |

(1) Audited.

For additional information on Alternative Performance Measures, see “*Certain Matters—Presentation of Financial Information.*”

Selected Long-term Financial Information

The following table sets forth certain historical financial information and Alternative Performance Measures for the financial years ended August 31, 2023, 2022, 2021, 2020 and 2019. Such financial information and Alternative Performance Measures presented have been derived or calculated from (i) the Audited Consolidated Financial Statements and (ii) the audited consolidated financial statements as at and for the financial years ended August 31, 2021, 2020 and 2019, prepared in accordance with FAS. For more information, see “*Certain Matters—Presentation of Financial Information—Other Historical Financial Information.*”

| | For the financial year ended August 31, | | | | |
|---|---|-------------|-------------|-------------|-------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 |
| | (unaudited, unless otherwise indicated) | | | | |
| | (EUR in thousands, unless otherwise indicated) | | | | |
| Net sales ⁽¹⁾ | 118,832 | 123,991 | 76,756 | 59,432 | 56,080 |
| Operating profit ⁽¹⁾ | 1,041 | 4,904 | 7,282 | 4,129 | 3,936 |
| EBITA ⁽²⁾ | 3,401 | 6,652 | 7,711 | 4,800 | 4,652 |
| EBITA-margin ⁽³⁾ , percent | 2.9 | 5.4 | 10.0 | 8.1 | 8.3 |
| Adjusted EBITA ⁽⁴⁾ | 4,594 | 8,726 | 8,044 | 5,239 | 4,652 |
| Adjusted EBITA-margin ⁽⁵⁾ , percent..... | 3.9 | 7.0 | 10.5 | 8.8 | 8.3 |
| Items affecting comparability ⁽⁶⁾ | 1,193 | 2,074 | 333 | 439 | – |

(1) Audited.

- (2) EBITA = Operating profit + Amortization of consolidated goodwill
EBITA is an internal measure used to assess Duell’s performance.
- (3) EBITA margin, percent = $\frac{\text{EBITA}}{\text{Net sales}} \times 100$
EBITA margin is an internal measure used to assess Duell’s performance.
- (4) Adjusted EBITA = EBITA - Items affecting comparability
Adjusted EBITA is presented in addition to EBITA and operating profit to reflect Duell’s underlying business performance and to enhance comparability between periods. Duell believes that these adjusted performance measures provide meaningful supplemental information by excluding items outside normal business, which reduce comparability between periods.
- (5) Adjusted EBITA margin, percent = $\frac{\text{Adjusted EBITA}}{\text{Net sales}} \times 100$
Adjusted EBITA margin is presented in addition to gross margin, EBITDA, EBITA and operating profit to reflect Duell’s underlying business performance and to enhance comparability between periods. Duell believes that these adjusted performance measures provide meaningful supplemental information by excluding items outside normal business, which reduce comparability between periods.
- (6) Items affecting comparability = Material items outside the ordinary course of business, including restructuring costs, net gains or losses from sale of business operations or other non-current assets, strategic development projects, external advisory costs related to capital reorganization, impairment charges on non-current assets incurred in connection with restructurings, compensation for damages and transaction costs related to business acquisitions.
Items affecting comparability is presented in addition to EBITDA, EBITA and operating profit to reflect Duell’s underlying business performance and to enhance comparability between periods.

Reconciliation of Long-term Alternative Performance Measures

The following table sets forth a reconciliation of the long-term Alternative Performance Measures for the financial years indicated:

| | For the financial year ended August 31, | | | | |
|--|--|--------------|--------------|--------------|--------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 |
| | (unaudited, unless otherwise indicated) | | | | |
| | (EUR in thousands, unless otherwise indicated) | | | | |
| EBITA | | | | | |
| Operating profit ⁽¹⁾ | 1,041 | 4,904 | 7,282 | 4,129 | 3,936 |
| Amortization of consolidated goodwill ⁽¹⁾ | <u>2,360</u> | <u>1,748</u> | <u>430</u> | <u>671</u> | <u>716</u> |
| EBITA | <u>3,401</u> | <u>6,652</u> | <u>7,711</u> | <u>4,800</u> | <u>4,652</u> |
| EBITA margin, percent | 2.9 | 5.4 | 10.0 | 8.1 | 8.3 |
| Adjusted EBITA | | | | | |
| Operating profit ⁽¹⁾ | 1,041 | 4,904 | 7,282 | 4,129 | 3,936 |
| Amortization of consolidated goodwill ⁽¹⁾ | 2,360 | 1,748 | 430 | 671 | 716 |
| Items affecting comparability | <u>1,193</u> | <u>2,074</u> | <u>333</u> | <u>439</u> | <u>–</u> |
| Adjusted EBITA | <u>4,594</u> | <u>8,726</u> | <u>8,044</u> | <u>5,239</u> | <u>4,652</u> |
| Adjusted EBITA margin, percent | 3.9 | 7.0 | 10.5 | 8.8 | 8.3 |
| Items affecting comparability | | | | | |
| Restructuring-related expenses | 843 | – | – | – | – |
| Cybercrime-related expenses | – | – | – | 439 | – |
| Listing and Directed Share Issue -related expenses | 295 | 2,074 | 333 | – | – |
| Financing arrangements | <u>55</u> | <u>–</u> | <u>–</u> | <u>–</u> | <u>–</u> |
| Items affecting comparability | <u>1,193</u> | <u>2,074</u> | <u>333</u> | <u>439</u> | <u>–</u> |

(1) Audited.

SUMMARY OF RECENT DISCLOSURES

*The following summary sets forth information disclosed by the Company pursuant to the Regulation (EU) No 596/2014 of the European Parliament and of the Council on market abuse and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (the “**Market Abuse Regulation**”) as well as certain other information disclosed by the Issuer pursuant to the First North Growth Market Rulebook (the “**First North Rulebook**”), over the last 12 months preceding the date of this Offering Circular, which is to the Company’s knowledge still relevant as at the date of this Offering Circular. The following summary does not discuss periodic financial reporting nor other disclosure obligations not pertaining to the Market Abuse Regulation or the First North Rulebook. Therefore, the following summary is not exhaustive and does not discuss all company releases issued by the Company during the above-mentioned period of time.*

Company Releases Specifying Inside Information

On February 27, 2023, Duell announced that it had agreed to acquire the entire share capital and full voting rights of TranAm. The TranAm Acquisition is part of Duell’s growth strategy and supports Duell’s geographical expansion and brand portfolio development. On March 8, 2023, Duell further announced that it had completed the TranAm Acquisition by paying the first installment of approximately 60 percent of the total purchase price of GBP 11.875 million on March 8, 2023. The second installment of approximately 40 percent of the purchase price, which will be financed with the Company’s cash reserves, will be paid by the end of 2023. The gross proceeds from the Directed Share Issue (as defined below) were used to finance the first installment of the purchase price in relation to the TranAm Acquisition. The closing of the TranAm Acquisition was subject to raising new equity for the first installment of the purchase price.

On March 1, 2023, Duell announced its intention to carry out the Directed Share Issue of up to 5,090,900 new Shares. On March 1, 2023, Duell further announced that it had successfully completed the Directed Share Issue of 5,090,900 new Shares and expected to receive gross proceeds of approximately EUR 8.7 million. The proceeds from the Directed Share Issue were to be used to finance the first installment of the purchase price in the TranAm Acquisition. The maximum number of Shares issued in the Directed Share Issue corresponded to approximately 20 percent of all issued Shares in the Company immediately prior to the Directed Share Issue and approximately 17 percent of all issued Shares in the Company immediately following the Directed Share Issue. The total number of issued Shares after the Directed Share Issue was to be 30,545,474. The subscription price in the Directed Share Issue was EUR 1.70 per Share, corresponding to a discount of approximately 6.6 percent compared to the closing price of the Share on March 1, 2023, immediately prior to the commencement of the book-building process. The subscription price of the Directed Share Issue was to be recorded in its entirety in the invested unrestricted equity reserve of the Company. The Directed Share Issue was supported by new investors and the Company’s existing shareholders, both local and international. The Shares issued in the Directed Share Issue were to be registered in the Trade Register on or about March 3, 2023, and were expected to be delivered to investors against payment through Euroclear Finland on or about March 6, 2023. Trading in the new Shares was expected to commence on or about March 6, 2023.

On October 9, 2023, Duell announced that it is considering a rights offering and reviewing its financing alternatives to strengthen its balance sheet and to enable further execution of its strategy, aiming to expand its footprint in Europe, to improve its position in the online business and to develop its brand portfolio. According to preliminary plans, the size of the potential rights offering would be up to approximately EUR 20 million. The completion and timing of the rights offering was dependent on the market situation, and its completion was conditional on, among others, a share issue authorization from the general meeting of the shareholders, publication of a prospectus approved by the FIN-FSA and sufficient support from the shareholders to complete the rights offering.

On November 9, 2023, Duell announced that it is planning a fully guaranteed rights offering of approximately EUR 20 million to strengthen its balance sheet and support its strategy execution. Duell published terms and conditions of the Offering on November 30, 2023.

Changes in Financial Outlooks and Guidance

On May 17, 2023, Duell announced that it had lowered its outlook and guidance for the financial year 2023 due to weaker than expected market and lower sales. To adjust operating costs to lower than expected demand, Duell announced that it enhances its cost savings program to improve profitability with the aim of achieving savings in the financial year 2024. Duell announced that its new outlook and guidance for the financial year ended August 31, 2023, is the following:

“The market and business cycle continues to be weak and uncertain. The continuing inflation and the overall economic environment have decreased consumer confidence. These factors will reduce predictability. Duell is adjusting its operating costs to meet lower than expected demand. Duell will continue to execute its growth strategy despite uncertain market conditions.

Duell expects net sales to be close to previous year’s level and adjusted EBITA to decrease from the previous year’s level in the current financial year ending August 31, 2023.”

On September 20, 2023, Duell announced that it had updated its outlook and guidance for the financial year 2023 due to lower than expected demand and the negative impact of exchange rate fluctuations. Duell also announced that it had reduced inventory levels as planned during the financial year 2023, which had significantly lowered its debt level and that this inventory reduction program had had a positive impact on Duell's cash flow. Duell further announced that it was to publish its financial statements bulletin for the financial year ended August 31, 2023, on October 9, 2023. Duell announced that its new outlook and guidance for the financial year ended August 31, 2023, is the following:

“The market and business cycle continues to be weak and uncertain. The continuing inflation and the overall economic environment have decreased consumer confidence. These factors will reduce predictability. Duell is adjusting its operating costs to meet lower than expected demand. Duell will continue to execute its growth strategy despite uncertain market conditions.

Duell expects net sales to be approximately EUR 118 million (EUR 124 million in financial year 2022) and adjusted EBITA to be approximately EUR 4.5 million (EUR 8.7 million in financial year 2022) in the current financial year ending August 31, 2023.”

Changes in Duell's Management

On January 9, 2023, Duell announced that Jukka Smolander (MSc. Economics) had been appointed a member of the management team of Duell with responsibility for Duell's bicycle business and that the position was new at Duell. Mr. Smolander was joining Duell from Broman Group Oy's Head of PMO position, and he has a long experience in the retail industry. Mr. Smolander was to start in his position on January 9, 2023.

On February 2, 2023, Duell announced that Erwin Van Hoof (Student of Business and Management) had been appointed a member of the management team of Duell with responsibility for Duell's powersports business. Duell's powersports business includes spare parts and accessories for motorcycle, ATV, moped, snowmobile, marine and garden categories. Mr. Van Hoof has 36 years of experience in the international motorcycle branch. Since October 2019, Mr. Van Hoof had been working for Duell as Export Development Manager. The position is new at Duell, and Mr. Van Hoof was to start on his new position on February 2, 2023.

On April 19, 2023, Duell announced that its ICT Manager and acting COO, Marko Viita-aho, had resigned from the Company. Mr. Viita-aho had been responsible for Duell's information and communication technology (“ICT”) since 2020, had served as acting COO since January 2023 and had been part of the management team of Duell since 2021. Mr. Viita-aho was expected to continue in his current position until the end of May 2023. Duell had started the recruitment process to appoint a new ICT director and COO.

On August 14, 2023, Duell announced that Heidi Markkanen (MSc. Economics) had been appointed a member of the management team of Duell with the responsibility for the Group's ICT and digitalization. The Chief Digital Officer position is new at Duell, but it contains the responsibilities of the previous ICT Manager. Ms. Markkanen was to join Duell from Normet Group Ltd.'s Director, IT Development and Projects position, starting on August 14, 2023.

On September 29, 2023, Duell announced that Magnus Miemois (M.Sc. Tech.) was to start as COO and Deputy CEO of Duell latest on January 1, 2024. Mr. Miemois is to join Duell from Lamor Corporation Plc, where he has been responsible for the Eurasia business and global sales development. Prior to working at Lamor Corporation Plc, Mr. Miemois had worked for Wärtsilä Corporation in various global positions. Initially Mr. Miemois will be responsible for Duell's operations and related development activities. The plan is for Mr. Miemois to become Duell's CEO during 2024. In connection with this, Duell's current CEO Jarkko Ämmälä will become Duell's Commercial Director with responsibility for key accounts, key suppliers and strategic initiatives.

Company Releases Relating to Change Negotiations

On February 2, 2023, Duell announced that it had completed the change negotiations in its Finnish companies in accordance with the Finnish Cooperation Act (1333/2021, as amended) regarding the need to reduce the workforce on production, financial and operational reorganizational grounds, the commencement of which Duell had announced on September 29, 2022, and which was to start on October 4, 2022. The estimated need to reduce personnel was a maximum of 25 employees in the Group. The goal was to achieve annual cost savings of around EUR 1 million in the Group. The cost savings estimate for the financial year ended on August 31, 2023, was around EUR 600 thousand. The change negotiations and related measures were completed on January 31, 2023, as a result of which the reduction in personnel in Duell's Finnish companies was a total of 13 employees. In addition to the change negotiations in its Finnish companies, Duell had realized personnel reductions in other country organizations summing to 10 employees. The personnel reduction realized in the Group was a total of 23 people. The cost saving at the Group level was estimated to be approximately EUR 700 thousand for the financial year ended on August 31, 2023, and EUR 1.3 million for the financial year ending on August 31, 2024.

On May 17, 2023, Duell announced that it was to initiate change negotiations on May 23, 2023, to enhance its cost savings program and to adjust operating costs to lower than expected demand. The change negotiations and cost savings program

are aimed at responding to structural changes in the Company's operating environment and at restructuring the organization to meet the Company's long-term strategic objectives. As part of the performance improvement program, Duell was to initiate measures for the entire Group workforce of approximately 250 people, applying local negotiation requirements with employee representatives and labor partners. As part of the measures, the Company was to immediately start change negotiations in Duell Bike-Center in Finland and Duell AB in Sweden. The aim was to achieve additional annual cost savings of approximately EUR 1 million in the Group, mainly from personnel cost reductions. The estimated total number of reductions in the Group is up to a maximum of 20 employees. In addition to personnel reductions, the Company also has the possibility to implement temporary layoffs. The savings from the cost savings program are mainly expected to be achieved in the financial year 2024. On September 11, 2023, Duell announced that it had completed the change negotiations in Duell Bike-Center in Finland and Duell AB in Sweden on September 7, 2023. The total number of personnel reductions in the Group was 11 persons.

Decisions of General Meetings

On November 9, 2023, Duell published a notice to the extraordinary general meeting of shareholders of the Company, which was held on November 30, 2023.

On November 14, 2023, Duell published a notice to the annual general meeting of shareholders of the Company, which was held on December 5, 2023.

On November 30, 2023, Duell announced the decisions of the extraordinary general meeting of shareholders of the Company, which were made in accordance with the proposals of the Board of Directors of the Company. The extraordinary general meeting of shareholders of the Company resolved (i) to authorize the Board of Directors of the Company to resolve on issuance of a maximum number of 2,500,000,000 new Shares in the Offering, as described in "*Description of the Shares and Share Capital—Current Authorizations—Authorization to Issue the Offer Shares*"; and (ii) to amend the articles of association of the Company in a way that sections regarding obligation to notify on material changes of holdings and obligation to make a tender offer were removed.

On December 5, 2022, Duell announced the decisions of the annual general meeting of shareholders of the Company, which were made in accordance with the proposals of the Board of Directors of the Company and certain shareholders. In addition to approving the Company's annual accounts, discharging the members of the Board of Directors of the Company and CEO of Duell from liability and supporting the remuneration policy for governing bodies of the Company, the annual general meeting of shareholders of the Company resolved: (i) that no dividend be paid based on the balance sheet adopted for the financial year ended August 31, 2023; (ii) on the remuneration of the Chair and the members of the Board of Directors of the Company; (iii) on re-election of certain members of the Board of Directors; (iv) that KPMG is re-elected the Company's auditor; (v) to authorize the Board of Directors of the Company to decide on the repurchase of the Company's own Shares as described in "*Description of the Shares and Share Capital—Current Authorizations—Authorization of the Board of Directors to Decide on the Repurchase of Own Shares*"; and (vi) to authorize the Board of Directors of the Company to decide on the issuance of shares as described in "*Description of the Shares and Share Capital—Current Authorizations—Authorization of the Board of Directors to Decide on Share Issues.*"

BOARD OF DIRECTORS, MANAGEMENT AND AUDITORS

General

The Company is a public limited liability company incorporated and domiciled in Mustasaari, Finland. In its decision-making and corporate governance, the Company complies with applicable Finnish legislation, its articles of association and the Company's corporate governance policy approved by the Board of Directors of the Company. The Company follows the First North Rulebook. Duell is not obliged to comply with the Finnish Corporate Governance Code 2020 issued by the Finnish Securities Market Association ("**Corporate Governance Code**"). However, Duell aims to align its corporate governance in line with the Corporate Governance Code, excluding the reporting obligations included therein.

The governing bodies of the Company (*i.e.*, the general meeting of shareholders, the Board of Directors of the Company and the CEO of Duell) have the ultimate responsibility for Duell's management and its operations. The management team of Duell reports to the CEO and is responsible for the efficient management of Duell's operations.

Shareholders participate in the control and management of the Company through resolutions passed at general meetings of shareholders of the Company. General meetings of shareholders of the Company are generally convened upon notice given by the Board of Directors of the Company. In addition, general meetings of shareholders must be convened when requested in writing by an auditor of the Company or by shareholders representing at least one-tenth of all issued and outstanding Shares.

The business address of the members of the Board of Directors of the Company and the management team and the CEO of Duell is Kauppatie 19, FI-65610 Mustasaari, Finland.

Board of Directors and Management Team

Board of Directors

The tasks and responsibilities of the Board of Directors of the Company are determined on the basis of the Finnish Companies Act as well as other applicable legislation. The Board of Directors of the Company has general authority to decide and act in all matters not reserved for other corporate governing bodies by law or under the provisions of the Company's articles of association. The general task of the Board of Directors of the Company is to duly organize Duell's management and operations. In all situations, the Board of Directors of the Company must act in accordance with Duell's best interest.

The annual general meeting of shareholders of the Company elects the members of the Board of Directors. The Board of Directors elects the Chair amongst itself. A member of the Board of Directors of the Company may be removed from office at any time by a resolution passed by a general meeting of shareholders. Proposals to the annual general meeting of shareholders of the Company concerning the election of members of the Board of Directors of the Company, which have been made known to the Board of Directors of the Company prior to the annual general meeting of shareholders, will be made public if such a proposal is supported by shareholders holding a minimum of one-tenth of all the Shares and voting rights and the person being proposed has consented to such nomination.

Under the Company's articles of association, the Board of Directors of the Company is composed of a minimum of four and a maximum of eight members. The term of office of members of the Board of Directors of the Company ends at the close of the annual general meeting following their election. The Board of Directors of the Company is quorate when more than one-half of its members are present. A decision by the Board of Directors of the Company is the opinion supported by more than one-half of the members present at a meeting. In the event of a tie, the Chairman has the casting vote. The Board of Directors of the Company meets according to a predetermined schedule between six and ten times in a year and, when necessary, holds additional meetings. As at the date of this Offering Circular, Duell has a People and Remuneration Committee, which evaluates and prepares structure and allocation of the salary and incentives system as well as performance incentive rules, and an Audit Committee. The Board of Directors of the Company may consider establishing additional committees in the future in order to function effectively taking into account the scope and nature of Duell's operations and the operating principles of the Board of Directors.

The following table sets forth the members of the Board of Directors of the Company as at the date of this Offering Circular:

| | Position | Citizenship | Year of birth |
|--------------------|-----------------|--------------------|----------------------|
| Anna Hyvönen | Chair | Finland | 1968 |
| Kim Ignatius | Member | Finland | 1956 |
| Niko Mokka | Member | Finland | 1979 |
| Anu Ora | Member | Finland | 1973 |

Anna Hyvönen has been the Chair of the Board of Directors of the Company since 2022 and a member of the Board of Directors of the Company since 2021. Ms. Hyvönen has been the Executive Vice President, Passenger car tyres and Vianor business of Nokian Tyres plc since 2022. Previously, Ms. Hyvönen was the Chair of the Board of Directors of LeaseGreen Group Ltd between 2020 and 2022, a member of the Board of Directors of Normet Group Ltd. between 2018 and 2023 and Caverion Corporation between 2013 and 2020 and in addition, she has held various management roles at Nokian Tyres plc between 2016 and 2022, Ramirent Plc between 2012 and 2016 and Kone Corporation between 2008 and 2012. Ms. Hyvönen holds a Licentiate degree in Technology.

Kim Ignatius has been a member of the Board of Directors of the Company since 2021. Previously, Mr. Ignatius was the Chair of the Board of Directors of the Company between 2021 and 2022. Mr. Ignatius has been the Vice Chair of the Board of Directors and Chair of the Audit Committee of University Pharmacy Ltd since 2019, a member of the Board of Directors of Pihlajalinna Plc since 2023 and a member of the Board of Directors and Audit Committee of Elisa Corporation since 2019. Previously, Mr. Ignatius was the Chair of the Board of Directors of the Directors' Institute of Finland between 2019 and 2023, the Chair of the Board of Directors and the Chair of the Audit Committee of Rovio Entertainment Corporation between 2017 and 2023, a member of the Board of Directors and Chair of the Audit and Risk Committee of Fortum Corporation between 2012 and 2020, the Chair of the Board of Directors of Royal Restaurants Ltd between 2018 and 2019, and the Chief Financial Officer/Executive Vice President of Sanoma Corporation between 2008 and 2017. Mr. Ignatius holds a Bachelor's degree in Economics.

Niko Mokkila has been a member of the Board of Directors of the Company since 2021. Mr. Mokkila has been the Managing Director of Hartwall Capital since 2019 and a member of the Boards of Directors of Konecranes Plc since 2020, LeaseGreen Group Ltd since 2019, Remeo Oy since 2019, Okin Capital Oy since 2009 and Alikkom Capital AB since 2009. Previously, Mr. Mokkila was a member of the Board of Directors of Terveystalo Plc between 2020 and 2022 and Realia Group Oy between 2016 and 2021. Mr. Mokkila holds a Master's degree in Economics and a Master's degree in Technology.

Anu Ora has been a member of the Board of Directors of the Company since 2021. Ms. Ora has been the Chief Executive Officer of Örum Oy Ab since 2019, the Chair of the Board of Directors of Diagno Finland Oy since 2023 and a member of the Board of Directors of Leijona Catering Oy since 2020. Previously, Ms. Ora was a member of the Boards of Directors of Escamar Seafood Oy between 2017 and 2020, Ruokatieto Yhdistys Ry between 2016 and 2019 and Raskone Ltd between 2015 and 2018. Ms. Ora was the Vice President of Apetit Plc between 2015 and 2019. Ms. Ora holds a Master's degree in Economics.

CEO

The CEO is responsible for Duell's operational management. The CEO prepares matters on which decisions are to be made by the Board of Directors of the Company, develops Duell's operations in line with the targets agreed with the Board of Directors of the Company, and ensures proper implementation of decisions of the Board of Directors of the Company. The CEO is also responsible for ensuring that Duell's business operations are in compliance with existing legislation and applicable regulations. The CEO chairs meetings of the management team of Duell.

Management Team

The task of the management team of Duell is the overall management of Duell's business. Members of the management team of Duell have specific authority in their individual areas of responsibility, and their duty is to develop Duell's operations in line with the targets set by the Board of Directors of the Company and the CEO of Duell. As at the date of this Offering Circular, the management team of Duell consists of eight members appointed by the Board of Directors of the Company, of whom the CEO, the Chief Financial Officer and the Chief Operating Officer are included in the executive management. The management team meets at least once a month and whenever needed.

The following table sets forth the members of the management team of Duell as at the date of this Offering Circular:

| | Position | Citizenship | Year of birth |
|------------------------------------|---|--------------------|----------------------|
| Jarkko Ämmälä ⁽¹⁾ | Chief Executive Officer | Finland | 1971 |
| Riitta Niemelä..... | Chief Financial Officer | Finland | 1981 |
| Pellervo Hämäläinen..... | Communications and Investor Relations Manager | Finland | 1966 |
| Joakim Vest..... | Logistics Manager | Finland | 1978 |
| Pia Hoseus..... | HR Director | Finland | 1987 |
| Erwin Van Hoof..... | Business Director, Powersports Business | Belgium | 1963 |
| Jukka Smolander..... | Business Director, Bicycle Business | Finland | 1987 |
| Heidi Markkanen..... | Chief Digital Officer | Finland | 1978 |

(1) On September 29, 2023, Duell announced that Magnus Miemois (M.Sc. Tech.) would start as the COO and Deputy CEO as well as a member of the management team of Duell latest on January 1, 2024, and that Mr. Miemois would become Duell's CEO during 2024. For more information, see “—*New Member Appointed to Duell's Management Team*” below.”

Jarkko Ämmälä has been the Chief Executive Officer and a member of the management team of Duell since 2018. Previously, Mr. Ämmälä was a Sales Manager at Duell between 2002 and 2018.

Riitta Niemelä has been the Chief Financial Officer and a member of the management team of Duell since 2020. Previously, Ms. Niemelä was a Financial Controller at Oy Duell Bike-Center Ab in 2019, a Service Manager at Vaasa VIICON Oy between 2018 and 2019 and a Financial Manager at Citec Ltd between 2012 and 2018. Ms. Niemelä holds a Master's degree in Economics.

Pellervo Hämäläinen has been the Communications and Investor Relations Manager and a member of the management team of Duell since 2022. Previously, Mr. Hämäläinen was a Marketing and Communications Manager of GS1 Finland Oy between 2019 and 2022, Communications Manager of OpusCapita Oy between 2015 and 2018, Head of Communications, Investor Relations and Corporate Social Responsibility of Tieto Corporation (currently Tietoevry Corporation) between 2012 and 2014, Head of Communications and Investor Relations of Oriola Corporation between 2006 and 2012, Communication Officer at Nokia Corporation between 1998 and 2001 and Communication Officer at Sonera Corporation (currently Telia Finland Oyj) between 1995 and 1998. Mr. Hämäläinen holds a Vocational qualification in Business and is a student of Social Sciences (Communications).

Joakim Vest has been the Logistics Manager and a member of the management team of Duell since 2021. Previously, Mr. Vest was a member of the management team of the Finnish Association of Purchasing and Logistics LOGY between 2021 and 2022, a member of the management group of Dermoshop Ltd between 2011 and 2021, the Chief Information Officer of Dermoshop Ltd between 2020 and 2021 and the IT & Logistics Manager of Dermoshop Ltd between 2011 and 2020. Mr. Vest holds a Bachelor of Business Administration degree in Business Economics.

Pia Hoseus has been the HR Director and a member of the management team of Duell since 2021. Ms. Hoseus has been a member of the Board of Directors of Duell AB and Duell Bike-Center since 2022. Previously, Ms. Hoseus was a member of the Board of Directors of PowerFactory (merged to Duell Bike-Center in 2023) between 2022 and 2023, an HR Specialist at Duell between 2020 and 2021 and an HR Specialist at Citec Ltd between 2013 and 2020. Ms. Hoseus holds a Master's degree in Business Administration.

Erwin Van Hoof has been the Business Director, Powersports Business and a member of the management team of Duell since 2023. Previously, Mr. Van Hoof was an Export Business Development Manager at Duell between 2019 and 2023, Division Manager at Digades GmbH between 2016 and 2018, Export Sales Manager at Deltran USA, LLC between 2015 and 2018, Sales Manager and Vice President at Schuberth GmbH between 2008 and 2014, Sales Director at Think Media Magazines in 2008 and Sales and Business Manager at Dam s.a.s between 2005 and 2007. Mr. Van Hoof is student of Business and Management.

Jukka Smolander has been the Business Director, Bicycle Business and a member of the management team of Duell since 2023. Previously, Mr. Smolander was a Head of Project Management Office at Broman Group Oy between 2021 and 2022, Product Group Manager between 2020 and 2021, Business Development Manager between 2018 and 2020 and HR Development Manager between 2016 and 2018 as well as HR Development Manager at Motonet Oy between 2012 and 2016. Mr. Smolander holds a Master's degree in Economics.

Heidi Markkanen has been the Chief Digital Officer and a member of the management team of Duell since 2023. Previously, Ms. Markkanen was a Director, IT Development and Projects at Normet Group Ltd. between 2019 and 2023 and the Head of Customer Operations and Application Services between 2018 and 2019. Ms. Markkanen holds a Master's degree in Economics and Business Administration.

New Member Appointed to Duell's Management Team

On September 29, 2023, Duell announced that Magnus Miemois (M.Sc. Tech.) was to start as COO and Deputy CEO and a member of the management team of Duell latest on January 1, 2024, and that Mr. Miemois would become Duell's CEO during 2024.

The following table sets forth information on the new member to Duell's management team:

| | Position | Citizenship | Year of birth |
|----------------------|--|--------------------|----------------------|
| Magnus Miemois | Chief Operating Officer and Deputy Chief Executive Officer | Finland | 1971 |

Magnus Miemois has been previously the Chief Operating Officer, Chief Commercial Officer and Senior Vice President and a member of the Board of Directors of Lamor Corporation Plc between 2020 and 2023, the chair of the Board of Directors of PMR Performance Ltd between 2020 and 2023, a member of the Board of Directors of Replot Invest Ab Oy between 2012 and 2023 and in addition, he has held various management roles at Wärtsilä Corporation between 2018 and 2019. Mr. Miemois holds a Master's degree in Technology.

Information on the Members of the Board of Directors and the Management Team

As at the date of this Offering Circular, none of the members of the Board of Directors of the Company or the management team (including the new member appointed to the management team) of Duell have, during the previous five years:

- been convicted in relation to fraudulent offences;
- held an executive position, been included in the executive management, or been a member of the administrative, management or supervisory bodies of any company or acted as a general partner with individual liability in a limited partnership at the time of bankruptcy, receivership or liquidation (excluding voluntary liquidations which have been carried out in order to dissolve the company under the Finnish Companies Act); or
- been subject to any official public incrimination and/or sanctions by any statutory or regulatory authorities (including any designated professional bodies) or been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

There are no family relations between the members of the Board of Directors of the Company and the management team of Duell.

Conflicts of Interest

Provisions regarding the conflicts of interest of the management of a Finnish company are set forth in the Finnish Companies Act. Pursuant to Chapter 6, Section 4 of the Finnish Companies Act, a member of the Board of Directors may not participate in the handling of a contract between himself or herself and the company, nor may he or she participate in the handling of a contract between the company and a third-party if he or she may thereby receive a material benefit that may be in contradiction with the interests of the company. This provision also applies to any other legal act, legal proceeding or other similar matter. This provision also applies to the CEO.

Except for their legal and/or beneficial interest in the Shares, as at the date of this Offering Circular, there are no conflicts of interest between any duties to the Company of any member of the Board of Directors of the Company or the management team of Duell and their private interests and/or other duties.

Auditors

Duell's audited consolidated financial statements as at and for the financial years ended August 31, 2023 and 2022, have been audited by KPMG, Authorized Public Accountants, with Mari Kaasalainen, Authorized Public Accountant, as the auditor with principal responsibility. Mari Kaasalainen is registered in the Finnish Register of Auditors pursuant to Chapter 6, Section 9 of the Finnish Auditing Act maintained by the Trade Register.

MAJOR SHAREHOLDERS

General

As at the date of this Offering Circular, the Company's share capital amounts to EUR 80,000, the total number of Shares issued and outstanding Shares is 30,545,474. As at the date of this Offering Circular, the Company does not hold any of its own Shares (treasury Shares).

The following table sets forth the ten largest shareholders of the Company as at November 30, 2023, pursuant to the shareholders' register maintained by Euroclear Finland:

| | <u>As at November 30, 2023</u> | |
|---|--------------------------------|--|
| | <u>Number of shares</u> | <u>Share of shares and votes (percent)</u> |
| Hartwall Capital ⁽¹⁾ | 6,832,558 | 22.4 |
| Sponsor Capital..... | 3,094,614 | 10.1 |
| Varma Mutual Pension Insurance Company..... | 1,403,038 | 4.6 |
| Säästöpankki Fonder..... | 1,331,627 | 4.4 |
| Ilmarinen Mutual Pension Insurance Company..... | 1,168,992 | 3.8 |
| Jarkko Ämmälä..... | 1,100,000 | 3.6 |
| Erikoissijoitusrahasto Aktia Mikro Markka..... | 697,673 | 2.3 |
| Elo Mutual Pension Insurance Company..... | 640,000 | 2.1 |
| Oy 4N-Group Ab..... | 587,863 | 1.9 |
| Evli Finland Select Fund..... | <u>402,895</u> | <u>1.3</u> |
| Total ten largest shareholders..... | 17,259,260 | 56.5 |
| Nominee-registered shareholders..... | 3,547,249 | 11.6 |
| Other shareholders..... | <u>9,738,965</u> | <u>31.9</u> |
| Total..... | <u>30,545,474</u> | <u>100.0</u> |

(1) Hartwall Capital has, on November 30, 2023, purchased 1,152,867 Shares that do not appear on the shareholders' register maintained by Euroclear Finland dated November 30, 2023. As a result of this share purchase, Hartwall Capital's holding has increased to a total of 7,985,425 Shares, which corresponds to 26.1 percent of the Existing Shares.

All Shares carry equal voting rights and none of the Company's shareholders have any voting rights that are different from those of the other shareholders in the Company.

To the Company's knowledge, the Company is not directly or indirectly controlled by any person (as referred to in Chapter 2, Section 4 of the Finnish Securities Markets Act) as at the date of this Offering Circular.

The maximum number of Offer Shares offered in the Offering represents 97.1 percent of the Shares after the completion of the Offering. In the event that existing shareholders of the Company do not subscribe for Offer Shares in the Offering (except for the Subscription Commitments and the Subscription Guarantee Undertaking), their total holdings in the Company would be diluted by 97.1 percent, assuming that the Company will issue 1,008,000,642 Offer Shares.

As at August 31, 2023, the Company's net asset value per Share was approximately EUR 1.2. The Subscription Price is EUR 0.02 per Offer Share.

Except for the Subscription Guarantee Undertaking given by Hartwall Capital, there are no arrangements, known to the Company, the operation of which may at a subsequent date result in a change in control of the Company.

RELATED PARTY TRANSACTIONS

Related parties of Duell consist of the parent company Duell Corporation and the Company's subsidiaries. Related parties also include Duell's key management personnel and their close family members as well as companies controlled by them. Duell's key management personnel include members of the Board of Directors of the Company, the CEO of the Company and the management team of Duell. For information on Duell's related party transactions, see the 2023 Audited Consolidated Financial Statements incorporated by reference into this Offering Circular.

The following table sets forth Duell Corporation's related party transactions between its subsidiaries and shareholders for the financial years indicated:

| | For the financial year ended August 31, | |
|--|--|--------|
| | 2023 | 2022 |
| | (audited) | |
| | (EUR in thousands) | |
| Transactions between Group companies | | |
| Sales of services..... | 704 | 563 |
| Financial income..... | 611 | 412 |
| Financial expense..... | 3 | – |
| Group contribution..... | – | 1,855 |
| Related party granted loan transactions | | |
| Group loan..... | 7,000 | 13,000 |
| Related party loan transactions | | |
| Convertible bonds..... | – | 5,764 |

The following table sets forth remuneration of the Board of Directors, CEO and the management team of the Group for the financial years indicated:

| | For the financial year ended August 31, | |
|---|--|------|
| | 2023 | 2022 |
| | (audited, unless otherwise indicated) | |
| | (EUR in thousands) | |
| Salaries and remuneration of the Board of Directors, the CEO and the management team | | |
| Board of Directors' and Managing directors' salaries and remuneration..... | 395 | 216 |
| Management team (excluding the CEO) salaries and remuneration ⁽¹⁾ | 561 | 509 |

(1) Unaudited.

Transactions with related parties have been carried out on an arm's length basis.

Duell Corporation is the parent company of the Group. Net sales of Duell Corporation consist of transactions between Duell Corporation and its subsidiaries and its shareholders, and no other external net sales exist.

Except as set forth above, there have been no other significant related party transactions, nor material changes in Duell's related party transactions between August 31, 2023, and the date of this Offering Circular. The Group has not had any related party transactions outside the Group for the financial years ended August 31, 2023 and 2022 or between August 31, 2023, and the date of this Offering Circular.

DESCRIPTION OF THE SHARES AND SHARE CAPITAL

General

The Company is a Finnish public limited liability company established in Finland and organized under the laws of Finland and domiciled in Mustasaari, Finland. The Company was registered in the Trade Register on August 3, 2018, its business identity code is 2929424-1 and its LEI code is 743700MVGCRZQ2CR8244. The Company's registered address Kauppatie 19, FI-65610 Mustasaari, Finland, and its telephone number is +358 20 118 000.

According to Article 3 of the Company's articles of association, its line of business is to either directly or through its subsidiaries or affiliate companies, distribute, market and sell powersports aftermarket products. In addition, the Company may directly and/or through its subsidiaries or affiliate companies purchase, sell, own and manage real property and securities. As the parent company, the Company may attend to the organization, financing and purchases of the group and to other similar common tasks, as well as own real property and shares and carry on securities trading, corporate acquisitions and divestments, and other investment business.

Shares and Share Capital

As at the date of this Offering Circular, the Company's fully paid up share capital amounts to EUR 80,000, and the total number of Shares issued is 30,545,474. The Shares have no nominal value and are issued under Finnish law. As at the date of this Offering Circular, the Company does not hold any treasury Shares. The Shares are recorded in the book-entry securities system maintained by Euroclear Finland and are subject to public trading on the First North Growth Market under trading code "DUELL" (ISIN code: FI4000513072). Each Share entitles its holder to one vote at the general meetings of shareholders of the Company, and all Shares carry equal rights to dividends and other distributions by the Company (including distributions of assets in the event of the Company's liquidation). There are no voting restrictions related to the Shares. The Shares are freely transferrable.

Current Authorizations

Authorization to Issue the Offer Shares

On November 30, 2023, the extraordinary general meeting of shareholders of the Company authorized the Board of Directors of the Company to resolve upon the issuance of a maximum of 2,500,000,000 new Shares in one instalment against payment in accordance with the shareholders' pre-emptive subscription right in the same proportion as the shareholders are already holding the Shares in the Company on the Record Date of the Offering. The authorization of the Board of Directors of the Company will remain in force until June 30, 2024.

On November 30, 2023, the Board of Directors of the Company resolved, pursuant to the above-mentioned authorization, to issue Offer Shares as set forth in "*Terms and Conditions of the Offering*." The Company will issue preliminarily 1,008,000,642 Offer Shares based on the above-mentioned authorization and the number of the Shares may increase to a maximum of 1,038,546,116 Shares. Assuming the Offering is fully subscribed for, the Offer Shares represent approximately 97.1 percent of all issued and outstanding Shares and votes in the Company after the completion of the Offering.

Authorization of the Board of Directors to Decide on Share Issues

The annual general meeting of shareholders of the Company held on December 5, 2022, authorized the Board of Directors of the Company to resolve on the issuance of Shares in one or several parts, either against payment or without payment as follows. The aggregate amount of Shares that may be issued based on the authorization shall be the maximum of 253,054,547 Shares, which corresponds to approximately 10 percent of all of the Shares in the Company if the authorization described in "*—Authorization to Issue the Offer Shares*" above would be used in full. The authorization is, however, at all times limited to 10 percent of the Company's actual total number of Shares, which is 3,054,547 Shares, if the Offering is not completed, or 10 percent of the Company's actual total number of Shares after the Offering, so that upon completion of the Offering the maximum number of Shares that may be issued based on this authorization will be reduced to the nearest whole number corresponding to 10 percent of the Company's total number of Shares following the registration of the new Shares to be issued in the Offering. Shares may be issued to develop the Company's capital structure, to finance or execute possible acquisitions and to be used in the Company's incentive arrangements, provided that the issue of shares is in the interest of the Company and its shareholders. The Board of Directors of the Company shall resolve on all the conditions of the issuance of Shares. The issuance of Shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issuance). The authorization concerns both the issuance of new Shares as well as the transfer of treasury Shares. The authorization is effective until the close of the next annual general meeting of shareholders of the Company, however no longer than until December 31, 2024.

Authorization of the Board of Directors to Decide on the Repurchase of Own Shares

The annual general meeting of shareholders of the Company held on December 5, 2022, authorized the Board of Directors of the Company to resolve on the repurchase of own Shares as follows. The aggregate amount of own Shares to be repurchased based on the authorization shall be the maximum of 253,054,547 Shares, which corresponds to approximately 10 percent of all of the Shares in the Company if the authorization described in “—*Authorization to Issue the Offer Shares*” above would be used in full. The authorization is, however, at all times limited to 10 percent of the Company’s actual total number of Shares, which is 3,054,547 Shares, if the Offering is not completed, or 10 percent of the Company’s actual total number of Shares after the Offering, so that upon completion of the Offering the maximum number of Shares that may be repurchased based on this authorization will be reduced to the nearest whole number corresponding to 10 percent of the Company’s total number of Shares following the registration of the new Shares to be issued in the Offering. The Company cannot, however, together with its subsidiaries at any moment own more than 10 percent of all the Shares in the Company. Only the unrestricted equity of the Company can be used to repurchase own Shares on the basis of the authorization. Own Shares can be repurchased at a price formed in public trading on the date of the repurchase or otherwise at a price formed on the market. The Board of Directors of the Company shall decide how own Shares will be repurchased. Own Shares can be repurchased otherwise than in proportion to the shareholdings of its shareholders (directed repurchase). Own Shares can be repurchased to limit the dilutive effects of issuances of Shares carried out in connection with possible acquisitions, to develop the Company’s capital structure, to be transferred for financing or execution of possible acquisitions, to be used in the Company’s incentive arrangements or to be cancelled, provided that the repurchase is in the interest of the Company and its shareholders. The authorization is effective until the close of the next annual general meeting of shareholders of the Company, however no longer than until December 31, 2024.

Shareholder Rights

Pre-emptive Rights

Pursuant to the Finnish Companies Act, shareholders of a Finnish company have a pre-emptive right, in proportion to their shareholdings, to subscribe for new shares in such company as well as for issues of stock options or convertible bonds unless the decision of the general meeting of shareholders or the Board of Directors of the company authorized by the general meeting of shareholders approving such issue provides otherwise. Pursuant to the Finnish Companies Act, a resolution that deviates from the shareholders’ pre-emptive rights must be approved by at least two thirds of all votes cast and shares represented at a general meeting of shareholders. In addition, pursuant to the Finnish Companies Act, such a resolution requires that the company has a weighty financial reason to deviate from the pre-emptive rights of shareholders. Furthermore, pursuant to the Finnish Companies Act, a resolution on a share issue without payment that deviates from the shareholders’ pre-emptive rights requires that there is an especially weighty financial reason both for the company and in regard to the interests of all the shareholders in the company.

Certain shareholders resident in, or with a registered address in, certain jurisdictions other than Finland may not be able to exercise pre-emptive rights in respect of their shareholdings unless a registration statement, or an equivalent thereof under the applicable laws of their respective jurisdictions, is effective or an exemption from any registration or similar requirements under the applicable laws of their respective jurisdictions is available.

General Meeting of Shareholders

Pursuant to the Finnish Companies Act, shareholders exercise their decision-making powers at general meetings of shareholders. Pursuant to the Finnish Companies Act, the annual general meeting of shareholders of a company must be held annually within six months from the end of the financial year. At the annual general meeting of shareholders, the financial statements, including the income statement, balance sheet and cash flow statement with notes thereto and consolidated financial statements, are presented to the shareholders for adoption. At the annual general meeting of shareholders, shareholders also make decisions regarding, among other things, the use of profits shown on the balance sheet, the discharge from liability of the members of the Board of Directors and the President and CEO as well as the election of the members of the Board of Directors and auditors and their respective remuneration. An extraordinary general meeting of shareholders in respect of specific matters must be convened when deemed necessary by the Board of Directors, or when requested in writing by an auditor of the company or by shareholders representing at least one tenth of all of the issued and outstanding shares in the company.

Pursuant to the articles of association of the Company, the notice convening the general meeting of shareholders must be delivered to the shareholders by publishing the notice on the Company’s website or by a newspaper announcement which is published in one or more widely circulated daily newspapers chosen by the Board of Directors of the Company no earlier than three months and no later than three weeks before the general meeting, and in any case at least nine days before the record date of the general meeting of shareholders referred to in Chapter 5, Section 6 a of the Finnish Companies Act. In order to be able to attend the general meeting of shareholders, a shareholder must notify the Company at the latest on the date mentioned in the notice, which may be no earlier than ten days before the general meeting of shareholders. Pursuant to the articles of association of the Company, the general meeting of shareholders of the Company shall be held in Helsinki

or Mustasaari, Finland. In addition, the general meeting of shareholders may be convened without a meeting venue in a way, that shareholders use their decision-making power using real-time telecommunication connection and technical device during the meeting.

In order to have the right to attend and vote at a general meeting of shareholders, a shareholder must be registered in the register of shareholders maintained by Euroclear Finland no later than eight business days prior to the relevant general meeting of shareholders. See *“The First North Growth Market and the Finnish Securities Markets—Finnish Book-entry Securities System.”* A beneficial owner wishing to attend and vote at the general meeting of shareholders should seek a temporary registration in the register of shareholders maintained by Euroclear Finland by the date announced in the notice to the general meeting of shareholders, which date must be after the record date of the general meeting of shareholders. A notification for temporary registration of a beneficial owner into the shareholder register of the company is considered a notice of attendance at the general meeting of shareholders. There are no quorum requirements for general meetings of shareholders in the Finnish Companies Act or in the articles of association of the Company.

Voting Rights

A shareholder may attend and vote at a general meeting of shareholders in person or by way of proxy representation. Each Share entitles its holder to one vote at the general meeting of shareholders. If a shareholder’s shares are registered in more than one book-entry account, the shareholder has a right to use different proxy representatives for each book-entry account. At a general meeting of shareholders, resolutions are generally passed with the majority of the votes cast. However, certain resolutions, such as any deviations from shareholders’ pre-emptive rights in respect of share offerings and repurchases of own shares, amendments to the articles of association and resolutions regarding mergers, demergers or liquidation of a company, require at least two thirds of the votes cast and the shares represented at the general meeting of shareholders. In addition, certain resolutions, such as amendments to the articles of association that change the respective rights of shareholders holding the same class of shares or increase the redemption rights of a company or its shareholders, require the consent of all shareholders, or where only certain shareholders are affected, the consent of all the shareholders affected by the amendment, in addition to the applicable majority requirement.

Dividends and Other Distributions of Funds

In accordance with the prevailing practice in Finland, dividends on shares in a Finnish limited liability company, if any, are generally declared once a year. Dividends may be paid and unrestricted equity may be otherwise distributed after the general meeting of shareholders has adopted the company’s financial statements and resolved on the amount of dividend or other distribution of unrestricted equity based on the proposal by the Board of Directors of the company. Pursuant to the Finnish Companies Act, the payment of a dividend or other distribution of unrestricted equity may also be based on financial statements other than that for the preceding financial year, provided that such financial statements have been adopted by the general meeting of shareholders. If the company has an obligation to elect an auditor pursuant to law or its articles of association, the financial statements must be audited. The payment of a dividend or other distribution of unrestricted equity requires the approval of the majority of the votes cast at a general meeting of shareholders of the company. Pursuant to the Finnish Companies Act, the general meeting of shareholders may also authorize the Board of Directors to resolve upon payment of dividends and other distributions of unrestricted equity. The amount of dividend or other distribution of unrestricted equity cannot exceed the amount stipulated by the general meeting of shareholders.

Under the Finnish Companies Act, the equity of a company is divided into restricted and unrestricted equity. Restricted equity consists of the share capital, the fair value reserve and the revaluation reserves according to the Finnish Accounting Act (1336/1997, as amended) as well as any possible reserve fund and share premium fund formed under the previous Finnish Companies Act (734/1978, as amended) effective prior to September 1, 2006. Pursuant to the current Finnish Companies Act, a company may also distribute funds by reducing its share capital, which requires the approval of the majority of votes cast at a general meeting of shareholders of the company. A decision regarding the share capital reduction must be registered in the Trade Register within one month from the general meeting of shareholders of the company that resolved on such share capital reduction. Following the registration of the share capital reduction, a creditor hearing process may be commenced and the Trade Register will issue, upon application of the company, a notice to the creditors of the company. The reduction of the share capital may be registered if none of the creditors of the company has opposed the reduction of the share capital or the company has received a confirmatory judgment to the effect that the opposing creditors have either received payment for their receivables or a securing collateral has been placed by the company for the payments of such receivables.

The amount of any dividend or other distribution of unrestricted equity is limited to the amount of distributable funds of the company stated in the financial statements upon which the decision to pay dividends or otherwise distribute unrestricted equity are based, subject to any material changes in the financial position of the company after the financial statements have been prepared. Distribution of funds, whether by way of dividend or other distribution of unrestricted equity, is prohibited if it is known, or it should be known, at the time such decision is made that the company is insolvent or that such distribution would cause the company to become insolvent. Distributable funds include the profit for the preceding financial year, retained earnings from previous financial years and other unrestricted equity, adjusted for the loss set forth

in the balance sheet, the amounts that are to be left undistributed under the articles of association of the company and certain other undistributable funds. A parent company of a consolidated group of companies may not distribute more than the amount of distributable funds shown on the parent company's latest audited and adopted financial statements. The dividend may not exceed the amount proposed or otherwise accepted by the Board of Directors, unless so requested at the general meeting of shareholders by shareholders representing at least one tenth of all of the issued and outstanding shares in the company, in which case, the dividend can be no more than the lesser of (i) at least one half of the profit for the preceding financial year less the amount to be left undistributed under the articles of association of the company (if any) and (ii) the amount of distributable funds as described above. However, in such case, the dividend cannot exceed 8 percent of the total equity of the company and the distributable amount must be adjusted for any dividends paid during the accounting period before the annual general meeting of shareholders.

Dividends and other distributions of funds are paid to shareholders or their nominees entered in the register of shareholders on the relevant record date. Such register is maintained by Euroclear Finland through the relevant book-entry account operators. Under the Finnish book-entry securities system, dividends are paid by account transfers to the accounts of the shareholders appearing in the register. All shares in the Company carry equal rights to dividends and other distributions of funds by the Company (including distributions of assets in the event of the liquidation of the Company).

The right to dividends is forfeited three years from the payment date of the dividends, after which the funds reserved for the payment of the dividends remain in the Company.

For information relating to taxation of dividends, see "*Taxation.*"

Treasury Shares

Pursuant to the Finnish Companies Act, a company can repurchase its own shares. Resolutions regarding the repurchase of a company's own shares must be made by the general meeting of shareholders, unless the general meeting of shareholders has authorized the Board of Directors to resolve upon share repurchases using unrestricted equity. Any such authorization may remain in effect for no more than 18 months. A public limited liability company may not, directly or indirectly, own more than 10 percent of all the shares in the company. As at the date of this Offering Circular, the Company does not hold any treasury Shares.

Transfers through the Finnish Book-entry System

Upon a sale of shares through the Finnish book-entry securities system, the relevant shares are transferred from the seller's book-entry account to the purchaser's book-entry account as an account transfer. For the sale, allocation data is recorded into Euroclear Finland's Infinity T2S clearing system and, if necessary, a provision regarding the book-entry security is made to the book-entry account. The sale is registered as an advance transaction until settlement and payment, after which the purchaser is automatically registered in the register of shareholders of the relevant company. If the shares are registered in the name of a nominee and the seller's and purchaser's shares are deposited in the same custodial nominee account, a sale of shares does not require any entries into the Finnish book-entry securities system, unless the nominee changes or the shares are transferred from the custodial nominee account pursuant to the sale.

Redemption Right

Pursuant to the Finnish Companies Act, a shareholder holding more than 90 percent of all shares and voting rights attached to the shares in a company has a right to redeem all remaining shares in such company for fair value. In addition, a minority shareholder that holds shares that may, under the Finnish Companies Act, be redeemed by a majority shareholder as described above, is entitled to demand such majority shareholder to redeem its shares.

Foreign Exchange Control

Shares in a Finnish company may be purchased by non-residents of Finland without any separate Finnish exchange control consent. Non-residents may also receive dividends without separate Finnish exchange control consent, the transfer of assets out of Finland being subject to payment by the company of withholding taxes in the absence of an applicable tax treaty preventing the levying of such taxes. Non-residents having acquired shares in a Finnish limited liability company may receive shares pursuant to a bonus issue or through participation in a rights issue without separate Finnish exchange control consent. Shares in a Finnish company may be sold in Finland by non-residents, and the proceeds of such sale may be transferred out of Finland in any convertible currency. There are no Finnish exchange control regulations restricting the sale of shares in a Finnish company by non-residents to other non-residents.

PLAN OF DISTRIBUTION

Placement Agreement

On November 30, 2023, the Company and the Global Coordinator entered into the Placement Agreement, which sets out Carnegie's duties as the Global Coordinator of the Offering.

The Placement Agreement contains terms and conditions customary for Offering, according to which the Global Coordinator has the right to terminate the Placement Agreement in certain circumstances and subject to certain conditions. Such circumstances include, but are not limited to, significant adverse changes in the business, financial or other position or operating result of the Company, and certain other changes in, among other things, national or global politics, or economic conditions. In addition, the Company has given customary representations to the Global Coordinator regarding, among other things, the business and legal compliance of the Company, the Shares, and the contents of this Offering Circular, and has agreed to indemnify the Global Coordinator against certain liabilities in connection with the Offering.

Restriction on the Transfer of Shares (Lock-up)

In connection with the Offering, the Company has undertaken not to issue or make any other disposals of Shares or other financial instruments of the Company without the prior written consent of the Global Coordinator for a period that falls 180 days from the completion of the Offering.

In addition, the parties to the Subscription Commitments have undertaken not to transfer the Shares or, where applicable, other financial instruments of the Company without the prior written consent of the Global Coordinator until the listing of the Offer Shares.

Members of the Board of Directors and the management team of the Company (including the new member appointed to the management team) have undertaken not to transfer the Shares, or, where applicable, other financial instruments of the Company without the prior written consent of the Global Coordinator for a period that falls 180 days from the listing of the Offer Shares, excluding the CEO of Duell, who may sell the Subscription Rights allocated to him, provided that the net proceeds received from the sale of the Subscription Rights will be used to subscribe for the Offer Shares in the Offering.

Subscription Guarantee Undertaking

On November 8, 2023, the Subscription Guarantor and Duell entered into an advance guarantee undertaking (the "**Subscription Guarantee Undertaking Agreement**") pursuant to which the Subscription Guarantor has committed, subject to certain terms and conditions, to subscribe for Offer Shares that may remain unsubscribed for in the Offering, up to a maximum of EUR 13.6 million, in addition to the Offer Shares that are covered by its Subscription Commitment.

The Subscription Guarantor's obligations under the Subscription Guarantee Undertaking Agreement are subject to certain conditions, such as the Amendment and Restatement Agreement and Amended and Restated Facilities Agreement with Nordea remaining in force and unchanged, and no change, fact or circumstance having occurred on or after the date of the Subscription Guarantee Undertaking Agreement, which taken as a whole, would result in a material adverse change or a change having a material adverse effect on the business, results, operations or financial condition of the Company and its subsidiaries.

Participation of Certain Shareholders in the Offering

Hartwall Capital, which is also acting as the Subscription Guarantor, Sponsor Capital and the other shareholders listed in Annex A to this Offering Circular, representing in aggregate approximately 37.5 percent of the Existing Shares, have each separately and irrevocably committed to subscribe for the *pro rata* amount of the Offer Shares based on the Subscription Rights allocated in the Offering, and to pay the Subscription Price for such Offer Shares (either by itself and/or on behalf of its controlled entity) under certain customary conditions.

Fees and Expenses

Duell expects to pay approximately EUR 2.5 million in fees and expenses in connection with the Offering, including fees and expenses payable to the Global Coordinator. The above amount of fees and expenses includes a total fee of EUR 0.9 million payable to the Subscription Guarantor for the Subscription Guarantee Undertaking.

Interests of the Global Coordinator

The Global Coordinator's fees are to a large extent linked to the proceeds raised in the Offering.

The Global Coordinator and/or its affiliates have provided and may in the future provide the Company with advisory, consulting and/or banking services as a part of their normal business activities for which they will receive customary fees and reimbursement of expenses.

Dilution of Ownership

The maximum number of Offer Shares to be offered in the Offering corresponds to 97.1 percent of all Shares after the completion of the Offering. If the existing shareholders of the Company do not subscribe for the Offer Shares in the Offering (except for the Subscription Commitments and the Subscription Guarantee Undertaking, see “—*Subscription of Certain Shareholders in the Offering*” and “—*Subscription Guarantee Undertaking*” above), their shareholding in the Company will be diluted by 97.1 percent.

Admission of Shares to Trading on the First North Growth Market

Duell will apply for the Offer Shares to be admitted to trading on the First North Growth Market.

Completion of the Offering

The Subscription Commitments or the Subscription Guarantee Undertaking include customary terms and conditions and do not include security for the fulfilment of the obligations under the Subscription Commitments or the Subscription Guarantee Undertaking. If the Subscription Commitments and/or the Subscription Guarantee Undertaking would no longer be in force and the Company could not otherwise complete the Offering in full, the Company would not complete the Offering. In addition, the Placement Agreement related to the Offering includes certain customary terms and conditions. If one or more of the terms and conditions of the Placement Agreement are not met, the Placement Agreement may not be entered into force or it may be terminated, as a result of which the Offering will not be completed.

The Board of Directors of the Company will resolve on the completion of the Offering on or about December 29, 2023. See “*Terms and Conditions of the Offering—Approval of Subscriptions and Publication of the Outcome in the Offering.*”

General Information

In making an investment decision, each investor is also recommended to rely on their own examination, analysis and enquiry of Duell and the terms and conditions of the Offering, including the merits and risks involved. Neither the Company nor the Global Coordinator nor any of its affiliates or representatives, is making any representation to any offeree, subscriber or purchaser of the Subscription Rights or the Offer Shares regarding the legality of an investment in the Subscription Rights or the Offer Shares by such offeree, subscriber or purchaser under the laws applicable to such offeree, subscriber or purchaser. Each investor should, at their discretion, consult their own advisors before purchasing the Subscription Rights or subscribing for the Offer Shares. Investors should make their independent assessment of the legal, tax, business, financial and other consequences of a purchase of the Subscription Rights or subscription for the Offer Shares. They should also make their independent assessment of the risks involved in the purchase of the Subscription Rights or subscription for the Offer Shares. Any tax consequences arising from an investor’s participation in the Offering will be solely on account of such investor.

The Global Coordinator is acting exclusively for the Company and no-one else in connection with the Offering. The Global Coordinator will not regard any other person (whether or not an addressee of this document) as their respective client in relation to the Offering. The Global Coordinator will not be responsible to anyone other than Duell for providing the protections afforded to their respective clients nor for giving advice in relation to the Offering or any transaction or arrangement referred to herein.

In connection with the Offering, the Global Coordinator, the Subscription Guarantor, and parties to the Subscription Undertakings and their affiliates, acting as an investor for its own account, may take up Subscription Rights or Offer Shares in the Offering and in that capacity may retain, purchase or sell for its own account any Subscription Rights or Offer Shares or related investments and may offer or sell such Subscription Rights or Offer Shares or other investments otherwise than in connection with the Offering. Accordingly, references in this Offering Circular to shares being offered should be read as including any offering of the Subscription Rights or the Offer Shares to the Global Coordinator, the Subscription Guarantor, and parties to the Subscription Undertakings or any of their respective affiliates acting in such capacity. The Global Coordinator, the Subscription Guarantor, and parties to the Subscription Undertakings do not intend to disclose the extent of such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

SELLING AND TRANSFER RESTRICTIONS

Restrictions on Offers and Sales in the United States

The Offering has not been approved, disapproved or recommended by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of such regulatory authorities passed upon or endorsed the merits of the Offering or the accuracy or adequacy of this Offering Circular. Any representation to the contrary is a criminal offence in the United States.

The Subscription Rights and the Offer Shares have not been and will not be registered under the U.S. Securities Act, or any state securities laws in the United States. Accordingly, the Subscription Rights may not be offered, sold, purchased or exercised, directly or indirectly, in the United States, and the Offer Shares may not be subscribed for, offered or sold, directly or indirectly, in the United States, unless in either case they are registered under the U.S. Securities Act or are subject to an exemption from the registration requirements of the U.S. Securities Act. The Subscription Rights and the Offer Shares are only to be offered and sold outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act.

Although all existing shareholders of the Company, regardless of the jurisdiction in which they reside, will be allocated Subscription Rights, due to such restrictions under applicable laws and regulations, the Company expects that certain shareholders and investors residing in the United States may not be able to receive this Offering Circular and may not be able to exercise the Subscription Rights or subscribe for the Offer Shares.

Each purchaser of the Subscription Rights and Offer Shares outside the United States pursuant to Regulation S will be deemed to have represented and agreed as follows:

- (1) The purchaser is purchasing Subscription Rights and/or Offer Shares in an offshore transaction meeting the requirements of Regulation S.
- (2) The purchaser has not purchased the Subscription Rights and/or the Offer Shares as a result of any directed selling efforts.
- (3) The purchaser is aware that the Subscription Rights and Offer Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority of any state of the United States, and are subject to restrictions on transfer.
- (4) The purchaser will not offer, sell, pledge, or transfer any Subscription Rights or Offer Shares, except in accordance with the U.S. Securities Act and any applicable laws of any state of the United States and any other jurisdictions.
- (5) The purchaser is not engaged in the business of distributing securities or, if it is, the purchaser agrees that it will not offer or sell in the United States (a) any Subscription Rights and Offer Shares that it acquires in the Offering at any time or (b) any Subscription Rights and Offer Shares that it acquires other than in the Offering until 40 days after the date hereof, except in both cases in transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act.
- (6) The Company shall not recognize any offer, sale, pledge or other transfer of the Shares made other than in compliance with the above-stated restrictions.

Restrictions on Offers and Sales in the European Economic Area and the United Kingdom

In relation to each relevant member state of the European Economic Area (“EEA”) (each, a “**Relevant Member State**”), this Offering Circular is only addressed to, and is only directed at, investors (including existing shareholders of the Company) in that Relevant Member State that fulfil the criteria for exemption from the obligation to publish a prospectus, including qualified investors, within the meaning of the Prospectus Regulation as implemented in each such Relevant Member State.

This Offering Circular has been prepared on the basis that all offers of Subscription Rights and Offer Shares, other than the offer contemplated in Finland, will be made pursuant to an exemption under the Prospectus Regulation from the requirement to produce a prospectus for offers of Subscription Rights and Offer Shares. Accordingly, any person making or intending to make any offer within the EEA of Subscription Rights and Offer Shares which is the subject of the placement contemplated in this Offering Circular should only do so in circumstances in which no obligation arises for the Company or the Global Coordinator to produce a prospectus for such offer. Neither the Company nor the Global Coordinator have authorized, nor does any of the Company or the Global Coordinator authorize, the making of any offer of Subscription Rights and Offer Shares through any financial intermediary, other than offers made by the Global Coordinator which constitute the final placement of Offer Shares contemplated in this Offering Circular.

The Subscription Rights and Offer Shares have not been, and will not be, offered to the public in any Relevant Member State, other than Finland. Notwithstanding the foregoing, an offering of the Subscription Rights and the Offer Shares may be made in a Relevant Member State: (i) to any qualified investor as defined in the Prospectus Regulation; (ii) to fewer than 150 natural or legal persons per Relevant Member State (other than qualified investors as defined in the Prospectus Regulation subject to obtaining the prior consent of the Global Coordinator); (iii) to investors who acquire Subscription Rights or Offer Shares for a total consideration of at least EUR 100,000 per investor, for each separate offer; (iv) in any other circumstances falling within Article 1(4) of the Prospectus Regulation; provided that no such offer of Subscription Rights or Offer Shares shall result in a requirement for the publication by the Company or the Global Coordinator of a prospectus pursuant to Article 3 of the Prospectus Regulation or a supplementary prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “offer to the public” in relation to any Subscription Rights and Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offering, the Subscription Rights and the Offer Shares so as to enable an investor to decide to purchase Subscription Rights and purchase or subscribe for Offer Shares.

United Kingdom Restrictions

The Subscription Rights and Offer Shares have not been, and will not be, offered to the public in the United Kingdom, except that the Subscription Rights and the Offer Shares may be offered to the public in the United Kingdom: (i) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation (as defined below); (ii) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Global Coordinator for any such offer; or (iii) in any other circumstances falling within Section 86 of the Financial Services and Markets Act 2000 (the “**FSMA**”), provided that no such offer of the Subscription Rights and the Offer Shares shall require the Company or the Global Coordinator to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an “offer to the public” in relation to the Subscription Rights and the Offer Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Subscription Rights or Offer Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Subscription Rights or Offer Shares and the expression “UK Prospectus Regulation” means the Prospectus Regulation as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

In the United Kingdom, this Offering Circular is being distributed only to, and is directed only at, and any offer subsequently made in relation to any Subscription Rights and Offer Shares may only be directed at persons (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Order**”) and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “**Relevant Persons**”). This Offering Circular must not be acted on or relied on in the United Kingdom by persons who are not Relevant Persons. In the United Kingdom, any investment or investment activity, to which this Offering Circular relates, is only available to, and will be engaged in with, Relevant Persons.

Although all existing shareholders of the Company, regardless of the jurisdiction in which they reside, will be allocated Subscription Rights, due to restrictions under applicable laws and regulations in jurisdiction outside of Finland, certain existing shareholders may not be able to receive this Offering Circular and may not be able to exercise their allocated Subscription Rights and to subscribe for the Offer Shares. The Company makes no offer or solicitation to any person under any circumstances that may be unlawful.

Restrictions on Offers and Sales in Canada, Australia and Japan

This Offering Circular may not be distributed or otherwise made available, the Offer Shares may not be offered, sold or subscribed for, directly or indirectly, and the Subscription Rights may not be offered, sold, purchased or exercised, directly or indirectly, in Canada, Australia or Japan, unless such distribution, offering, sale, acquisition, exercise or subscription is permitted under applicable laws of the relevant jurisdiction, and the Company and the Global Coordinator receive satisfactory documentation to that effect.

Due to such restrictions under applicable laws and regulations, the Company expects that certain shareholders and investors residing in Canada, Australia, Japan and other jurisdictions may not be able to receive this Offering Circular and may not be able to exercise the Subscription Rights or subscribe for the Offer Shares. No offer and no solicitation to any person are being made by the Company in any jurisdiction or under any circumstances that would be unlawful.

Information to Distributors

Solely for the purposes of the product governance requirements contained within: (a) Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments and amending Directive 2002/92/EC and

Directive 2011/61/EU (as amended, “**MiFID II**”), (b) Articles 9 and 10 of the Commission Delegated Directive (EU) 2017/593 supplementing MiFID II, and (c) local implementing measures (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the securities that are the subject of the Offering have been subject to a product approval process, which has determined that the Subscription Rights and the Offer Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Subscription Rights and the Offer Shares may decline and shareholders and investors could lose all or part of their investment; the Subscription Rights and the Offer Shares offer no guaranteed income and no capital protection; and an investment in the Subscription Rights and the Offer Shares is compatible only with shareholders and investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Global Coordinator will only procure investors who meet the criteria of professional clients and eligible counterparties (except for a public offering to shareholders and investors in Finland conducted pursuant to a separate prospectus that has been approved by and registered with the FIN-FSA).

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any shareholder or to any investor or group of shareholders or group of investors to invest in, or purchase, or take any other action whatsoever with respect to, the Subscription Rights and Offer Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Subscription Rights and the Offer Shares and determining appropriate distribution channels.

THE FIRST NORTH GROWTH MARKET AND THE FINNISH SECURITIES MARKETS

The following summary is a general description of the Finnish securities markets regulations applicable to the First North Growth Market and it is based on the laws of Finland as in effect as at the date of this Offering Circular. The following summary is not exhaustive.

The First North Growth Market

The First North Growth Market is Nasdaq Helsinki's Nordic growth market, designed for small and growing companies. Companies listed on the First North Growth Market are subject to less extensive rules than companies listed on a regulated market, such as the Official List of Nasdaq Helsinki. This is intended to allow smaller companies to enjoy the benefits of being publicly traded companies without excess administrative burden. Unlike on the regulated markets, companies listed on the First North Growth Market must engage a Certified Adviser whose role is to ensure that companies comply with applicable requirements and rules.

The First North Growth Market is regulated as a multilateral trading facility as opposed to a regulated market. "Multilateral trading facility" and "regulated market" are classifications for trading venues of securities set out in the Directive on Markets in Financial Instruments. Multilateral trading facilities and the holders and issuers of securities listed on a multilateral trading facility are subject to less stringent rules than regulated markets and the holders and issuers of securities listed on a regulated market. Companies that have applied for their shares to be listed on the First North Growth Market are subject to the First North Rulebook but not the requirements for admission to trading on a regulated market. For more information, see "*—Trading on the First North Growth Market*" and "*—Regulation of the Finnish Securities Markets*" below.

Trading on the First North Growth Market

The First North Growth Market is maintained by Nasdaq Helsinki, a member of the Nasdaq group, which owns and maintains First North Growth Markets also in Stockholm, Copenhagen and Iceland. Pursuant to the First North Rulebook, the trading rules of Nasdaq Helsinki apply on the First North Growth Market as set out in further detail in the First North Rulebook (including Supplement C – Finland).

Trading in the equities market on the First North Growth Market takes place in the automated INET Nordic trading platform in which orders are matched as trades when the price, volume and other conditions match. The main trading sessions in the equities market of the First North Growth Market are pre-trading session, continuous trading session and post-trading session. The currency for trading in, and clearing of, securities on the First North Growth Market is euro, with the tick size for trading quotations depending on the share price. All price information is produced and published only in euro. Trades are normally cleared in Euroclear Finland's Infinity T2S clearing and settlement system on the second business day after the trade date (T+2) unless otherwise agreed by the parties.

Regulation of the Finnish Securities Markets

The securities market in Finland is supervised by the FIN-FSA. The primary statutes governing the Finnish securities markets are the Finnish Securities Markets Act, which contains provisions with respect to, among others, company and shareholder disclosure obligations and public tender offers, the Prospectus Regulation, which contains provisions with respect to, among others, the content and format of prospectuses and the Market Abuse Regulation, which contains regulations with respect to, among others, insider dealing, unlawful disclosure of inside information, market manipulation and public disclosure of inside information. The regulation governing the admission of securities and other financial instruments into public trading and the trading in listed financial instruments is compiled under the Act on Trading in Financial Instruments (1070/2017, as amended). The FIN-FSA may issue more detailed regulation pursuant to the Finnish Securities Markets Act and other acts. The role of the FIN-FSA is to monitor compliance with these regulations.

The Finnish Securities Markets Act and the Market Abuse Regulation specify minimum disclosure requirements for companies applying to have their securities listed on a multilateral trading facility or who offer their securities to the public in Finland. The information provided must be sufficient to enable a potential investor to make a sound evaluation of the securities being offered and the issuing company as well as of matters that may have a material effect on the value of the securities. The issuer of securities subject to trading on the First North Growth Market has an obligation to disclose any matters likely to have a significant effect on the value of the securities. The First North Rulebook also includes an obligation to regularly publish financial information concerning the company and other requirements regarding continuous disclosure obligations. Information disclosed must be kept accessible to the public. Pursuant to the Market Abuse Regulation, the issuer of a publicly traded security has the obligation to disclose any matters concerning the company that, if made public, would be likely to have a material effect on the prices of the financial instruments of the company. Insider information must be made public in a manner that enables fast access and complete, correct and timely assessment of the information by the public.

The requirements of the Finnish Securities Markets Act that are only applied on regulated markets, such as provisions relating to the flagging obligation, do not apply to securities subject to trading on the First North Growth Market. However, certain provisions of the Finnish Securities Markets Act, such as provisions relating to market abuse and certain rules on public tender offers, also apply to securities subject to trading on the First North Growth Market.

The Finnish Securities Markets Act regulates takeover bids for shares subject to public trading on a regulated market or securities entitling to such shares. The provisions concerning mandatory takeover bids do not apply on the First North Growth Market. However, the provisions concerning voluntary takeover bids apply partly to shares subject to trading in a multilateral trading facility or securities entitling to shares. For example, a person, who publicly offers to purchase shares admitted to trading in a multilateral trading facility upon the issuer's application or securities entitling to such shares, cannot place the holders of the securities subject to a takeover bid in an unequal position. The offeror must provide the holders of the target company's securities with material and sufficient information, on the basis of which the holders of the securities can make an informed assessment of the bid. The bid must be made public and notified to the holders of the securities, the organizer of a multilateral trading facility and the FIN-FSA. Before publishing the bid, the offeror must ensure that it is able to fully pay the possibly offered cash consideration and carry out all reasonable measures required to secure the implementation of any other type of consideration. The legal requirements regarding the determination of type and amount of offer consideration and provisions regarding an increasing obligation and a compensation obligation of offer consideration are applied also to a takeover bid made for shares subject to trading in a multilateral trading facility.

The provisions of the Finnish Companies Act on the redemption of minority shares are applicable to shares subject to trading on the First North Growth Market. For more information on the redemption right and obligation to purchase Shares, see "*Description of the Shares and Share Capital—Shareholder Rights—Redemption Right and Obligation to make a Purchase Offer.*"

The Finnish Penal Code (39/1889, as amended) criminalizes the breach of disclosure requirements, the misuse of inside information, unauthorized disclosure of inside information and market manipulation. Pursuant to the Market Abuse Regulation, the Finnish Securities Markets Act and the Finnish Act on the Financial Supervisory Authority (878/2008, as amended), the FIN-FSA has the right to impose administrative sanctions to the extent the offence does not fall within the scope of the Finnish Penal Code. The FIN-FSA can, for example, issue a public warning or impose administrative fines or monetary penalties for the breach of disclosure requirements, insider register or market abuse provisions. The disciplinary board of Nasdaq Helsinki may give a warning or note or impose a disciplinary fine or order the company to be removed from the stock exchange list. Nasdaq Helsinki may also issue disciplinary sanctions for breaches of the First North Rulebook.

Finnish Book-entry Securities System

General

Any issuer established in the EU that issues or has issued transferable securities which are admitted to trading or traded on trading venues, shall arrange for such securities to be represented in book-entry form. The issuer has the right to choose the central securities depository in which its securities are recorded. The central securities depository maintains the book-entry system. Euroclear Finland acts as the central securities depository in Finland as at the date of this Offering Circular. Euroclear Finland maintains a book-entry securities register for, among others, equity and debt securities. The registered office of Euroclear Finland is Urho Kekkosen katu 5C, FI-00100, Helsinki, Finland.

Shareholders' registers must be maintained for issuers in the Finnish central securities depository. In accordance with Regulation on Central Securities Depositories (EU) No 909/2014, the central securities depositories are not obliged to offer shareholders book-entry accounts sponsored by issuers free of charge, but a central securities depository may offer such free accounts sponsored by issuers based on a voluntary business decision.

Registration

Shareholders of all companies registered in the book-entry securities system must establish a book-entry account with an account operator or register its securities through nominee registration in order to effect share entries. A Finnish shareholder may not hold his/her shares through nominee registration in the Finnish book-entry system. For shareholders who have not transferred their shares into book-entries, a joint book-entry account is opened with Euroclear Finland with the issuer as registered holder. All transfers of securities registered with the book-entry securities system are executed as computerized book-entry transfers to the extent they are executed in the book-entry securities system. The account operator confirms the book-entry by sending a statement of book-entries made to the holder of the respective book-entry account at least four times a year. The book-entry account holders also receive an annual statement of their holdings at the end of each calendar year.

Each book-entry account is required to contain information with respect to the account holder and other holders of rights to the book-entries entered into the account as well as information on the account operator administering the book-entry account. The required information also includes the type and number of book-entries registered as well as the rights and

restrictions pertaining to the account and to the book-entries registered in the account. A custodial nominee account is identified as such on the entry. Euroclear Finland and the account operators are responsible for maintaining the confidentiality of the information they receive. The company must, however, keep the shareholders' register available to anyone at the company's head office or, when the shares of the company are entered into the book-entry securities system, at the office of the central securities depository in Finland. The FIN-FSA is also entitled to certain information on the holdings of shares registered in a custodial nominee account upon request.

Each account operator is liable for errors and omissions in its registration activity, and for any breach of data protection. If an account holder has suffered a loss as a result of a faulty registration or other mistake or defect relating to the entries and the account operator has not compensated such loss, such account holder is entitled to receive compensation from the statutory registration fund of Euroclear Finland. The capital of the registration fund must be at least 0.0048 percent of the average of the total market value of the book-entries kept in the book-entry securities system during the last five years and it must not be less than EUR 20 million. The compensation to be paid to an injured party is equal to the amount of damages suffered subject to a limit of EUR 25,000 per account operator. The liability of the registration fund to pay damages in relation to each incident is limited to EUR 10 million.

Custody of Shares and Nominee Registration

A non-Finnish shareholder may appoint an account operator (or certain other Finnish or non-Finnish organization approved by the central securities depository) to act as a custodial nominee account holder on its behalf. The book-entry securities of a foreigner, foreign entity or trust may be deposited in a custodial nominee account, where the book-entry securities are registered in the name of a custodial account holder in the company's register of shareholders. A custodial nominee account must contain information on the custodial account holder instead of the beneficial owner and indicate that the account is a custodial nominee account. Book-entry securities owned by one or more beneficial owners may be registered in a custodial nominee account. In addition, the shares owned by a foreigner, foreign entity or trust may be registered in a book-entry account opened in the name of such foreigner, foreign entity or trust, but the holding may be registered in the name of a nominee in the company's register of shareholders.

A custodial nominee account holder is entitled to receive dividends on behalf of the shareholder. A nominee-registered shareholder wishing to attend and vote at the general meeting of shareholders should temporarily register the shares in their own name in the shareholders' register kept by Euroclear Finland at the latest on the date mentioned in the notice to the general meeting of shareholders, which must be after the record date of the general meeting of shareholders. Upon request by the FIN-FSA or the relevant company, a custodial nominee account holder is required to disclose the name of the beneficial owner of any shares registered in such custodial nominee's name, provided the beneficial owner is known, as well as the number of shares owned by such beneficial owner. If the name of the beneficial owner is not known, the custodial nominee account holder is required to disclose corresponding information on the representative acting on behalf of the beneficial owner and to submit a written declaration of the representative to the effect that the beneficial owner of the shares is not a Finnish natural person or legal entity.

A shareholder wishing to hold his/her shares in the book-entry securities system in his/her own name, but who does not maintain a book-entry account in Finland, is required to open a book-entry account at an account operator as well as a bank account denominated in euros in Finland.

Compensation Fund for Investors and Deposit Insurance Fund

The Finnish Act on Investment Services (747/2012, as amended) (the "**Finnish Act on Investment Services**") sets forth a compensation fund for investors. Under such act, investors are divided into professional and non-professional investors. The fund does not compensate any losses by professional investors. The definition of professional investor includes business enterprises and public entities, which are deemed to understand the securities markets and their associated risks. An investor may also provide notice in writing that, on the basis of his/her professional skills and experience in the securities markets, he/she is a professional investor, however, natural persons are generally presumed to be non-professional investors. Investment firms and credit institutions must belong to the compensation fund. The compensation fund safeguards payment of clear and indisputable claims of investors when an investment company or a credit institution has been declared bankrupt, is undergoing a restructuring process or is otherwise, for a reason other than temporary insolvency, not capable of paying claims within a determined period of time. For valid claims, the compensation fund will pay 90 percent of the investor's claim against each investment company or credit institution, up to a maximum of EUR 20,000. The compensation fund does not provide compensation for losses due to decreases in stock value or bad investment decisions. Accordingly, investors continue to be liable for the consequences of their own investment decisions. According to the Finnish Act on Financial Stability Authority (1195/2014, as amended), depository banks must belong to a deposit guarantee scheme, which is intended to safeguard payments of receivables in the depository bank's account or receivables in the forwarding of payments that have not yet been entered into an account if the depository bank becomes insolvent and the insolvency is not temporary. The customers of a depository bank can be compensated by the deposit insurance fund up to a maximum of EUR 100,000. An investor's funds can be safeguarded either by the deposit insurance fund or the compensation fund, however, an investor's funds cannot be safeguarded by both funds at the same time.

TAXATION

The following summary is based on the tax laws of Finland as in effect and applied as at the date of this Offering Circular as well as on the current case law and tax practice. Any changes in tax laws, case law or tax practice may also have a retroactive effect on taxation. The following summary is not exhaustive and does not take into account or discuss the tax laws, case law or tax practice of any country other than Finland. The following summary does not address tax considerations applicable to such holders of Shares that may be subject to special tax rules relating to, among others, different restructurings of corporations, controlled foreign corporations, non-business carrying entities, income tax-exempt entities, investment funds, general or limited partnerships, or individuals holding shares through share saving accounts. Furthermore, this description does not address Finnish inheritance or gift tax consequences. In addition to the tax laws of Finland, the tax laws of the countries in which prospective investors are resident may affect the income from the Shares, and prospective investors are advised to consult professional tax advisors as to the tax implications relating to the purchase, ownership and disposition of Shares. Prospective investors, whose taxation may be impacted by the tax laws of other countries, should consult tax advisers as to the tax implications related to their individual circumstances.

Finnish Tax Considerations

The following is a description of the material Finnish income tax and transfer tax consequences that may be relevant with respect to the Offering. The description below is applicable to both Finnish resident and non-resident natural persons and limited liability companies for the purposes of Finnish domestic tax legislation relating to dividend distributions and capital gains arising from the sale of Shares.

This description is primarily based on:

- The Finnish Income Tax Act (*tuloverolaki* 1535/1992, as amended, the “**Finnish Income Tax Act**”);
- The Finnish Business Income Tax Act (*laki elinkeinotulon verottamisesta* 360/1968, as amended, the **Finnish Business Income Tax Act**”);
- The Finnish Act on the Taxation of Non-residents’ Income (*laki rajoitetusti verovelvollisen tulon verottamisesta* 627/1978, as amended);
- The Finnish Transfer Tax Act (*varainsiirtoverolaki* 931/1996, as amended); and
- The Finnish Tax Assessment Procedure Act (*verotusmenettelylaki* 1558/1995, as amended, the “**Finnish Tax Assessment Procedure Act**”).

In addition, relevant case law as well as decisions and statements made by the tax authorities in effect and available as at the date of this Offering Circular have been taken into account. Tax legislation, case law and statements given by tax authorities are subject to change, which could apply retroactively and could, therefore, affect the tax consequences described below.

General

Residents and non-residents of Finland are treated differently for tax purposes. The worldwide income of persons resident in Finland is subject to taxation in Finland. Non-residents are only taxed on income from Finland. Additionally, Finland imposes taxes on non-residents for income connected with their permanent establishments in Finland. However, tax treaties may limit the applicability of Finnish tax legislation and also the right to tax income received from Finland by a non-resident.

Generally, a natural person is deemed to be a resident in Finland if such person remains in Finland for a continuous period of more than six months or if the permanent home and abode of such person is in Finland. However, a Finnish national who has moved abroad is considered to be resident in Finland until three years have passed from the end of the year of departure unless they can demonstrate that no substantial ties between them and Finland have existed during the relevant tax year.

Earned income, including salary, is taxed at progressive rates. Currently, the capital income tax rate is 30 percent. In addition, should the amount of capital income received by a resident natural person exceed EUR 30,000 in a calendar year, the capital income tax rate is 34 percent on the amount that exceeds EUR 30,000. Corporate entities established under the laws of Finland are regarded as residents in Finland and are, therefore, subject to corporate income tax on their worldwide income. In addition, non-residents are subject to Finnish corporate income tax on their income connected with their permanent establishments situated in Finland. Currently, the corporate income tax rate is 20 percent.

Distribution of funds from a reserve for unrestricted equity (in accordance with Chapter 13, Section 1, Subsection 1 of the Finnish Companies Act) by a public listed company pursuant to Section 33a, Subsection 2 of the Income Tax Act (a “**Listed**

Company”) is taxable as dividend. Therefore, the description below addressing the tax implications of dividends is also applicable with respect to distribution of funds from a reserve for unrestricted equity.

The following is a summary of certain Finnish tax consequences relating to the purchase, ownership and disposal of Shares by Finnish resident and non-resident shareholders.

Taxation of Dividends

Resident Natural Persons

If shares owned by a natural person are not included in the business activity (*i.e.*, business income source) of such person, 85 percent of dividends paid by a Listed Company to such shareholder is taxable as capital income at the rate of 30 percent (34 percent on the amount that exceeds EUR 30,000 in a calendar year), while the remaining 15 percent is tax-exempt. Eighty-five percent of dividends paid by a Listed Company to a natural person whose underlying shares belong to the business activity of such shareholder is as a main rule taxable partly as earned income, which is taxed at progressive rates, and partly as capital income, which is taxed at a rate of 30 percent (34 percent rate on the amount that exceeds EUR 30,000 in a calendar year), and the remaining 15 percent is tax-exempt.

Distribution of dividends by a Listed Company to resident natural persons is subject to advance tax withholding. Currently, the amount of the advance tax withholding is 25.5 percent. The advance tax withheld by the distributing company is credited against the final tax payable by the shareholder for the dividend received. Resident natural persons must review, and correct, if necessary, the amount of dividend income and the advance tax withheld on their pre-completed income tax return form.

A 50 percent withholding tax is withheld on the nominee account’s dividends if the company paying the dividend or the registered custodian cannot identify the recipient of the dividend as non-resident in Finland. For more information on non-residents’ taxation, see “—*Non-residents*” below.

Finnish Limited Liability Companies

Taxation of dividends distributed by a Listed Company depends, among other things, on whether the Finnish company receiving the dividend is a Listed Company or not.

Dividends received by a Listed Company from another Listed Company are generally tax-exempt. However, in cases where the underlying shares are included in the investment assets of the shareholder, 75 percent of the dividend is taxable income while the remaining 25 percent is tax-exempt. Only financing, insurance and pension institutions may have investment assets.

Dividends received by a Finnish company that is not a Listed Company (*i.e.*, a privately held company) from a Listed Company are fully subject to corporate income tax. However, in cases where the privately held company directly owns 10 percent or more of the share capital of the Listed Company distributing the dividend, the dividend received on such shares is tax-exempt. However, if a non-listed company receives a dividend on shares of a Finnish company included in its investment assets, 75 percent of the dividend is taxable income and 25 percent is tax-exempt regardless of the ownership threshold.

Non-residents

As a general rule, non-residents of Finland are subject to Finnish withholding tax on dividends paid by a Finnish company. The withholding tax is withheld by the company distributing the dividend at the time of dividend payment and no other taxes on the dividend are payable in Finland. The withholding tax rate is 20 percent for non-resident corporate entities as income receivers and 30 percent for all other non-residents as income receivers. The withholding tax may be reduced or removed under an applicable treaty for the avoidance of double taxation (the “**Tax Treaty**”). Starting January 1, 2021, the withholding tax rate is generally 35 percent for dividends paid by a Listed Company to nominee registered shares, as described further below.

Finland has entered into Tax Treaties with several countries pursuant to which the withholding tax rate is reduced on dividends paid to persons entitled to the benefits under such Tax Treaties. For example, in the case of the treaties with the following countries, Finnish withholding tax rate regarding dividends of portfolio shares is generally reduced to the following percentages: Austria: 10 percent; Belgium: 15 percent; Canada: 15 percent; Denmark: 15 percent; France: 0 percent; Germany: 15 percent; Ireland: 0 percent; Italy: 15 percent; Japan: 15 percent; the Netherlands: 15 percent; Norway: 15 percent; Spain: 15 percent; Sweden: 15 percent; Switzerland: 10 percent; the United Kingdom: 0 percent; and the United States: 15 percent (0 percent for certain pension funds). This list is not exhaustive. A further reduction in the withholding tax rate is available under most Tax Treaties to corporate shareholders for dividend distributions on qualifying holdings (usually direct ownership of at least 10 percent or 25 percent of the share capital or votes of the distributing company). The reduced withholding rate benefit in an applicable Tax Treaty will be available if the person beneficially

entitled to the dividend has provided a valid tax card or necessary details of its nationality and identity to the company paying the dividend.

Where shares in a Finnish company are held through a nominee account, the Finnish company pays dividends to the nominee account managed by the custodian, who then delivers the dividend payment to the beneficial owner. A withholding tax of 35 percent is generally applied on dividend distributions by Listed Companies, unless custodians fulfill certain strict requirements and are willing to take over certain responsibilities (including, for example, registration with the Finnish Tax Administration (a so called authorized intermediary), identification of the beneficial owner of the dividend and collecting and submitting detailed recipient information to the Finnish Tax Administration using specific filing procedures). Furthermore, application of reduced withholding tax rates at source require that the custodian and dividend distributor are willing to assume liability of incorrectly applied withholding tax. If the custodian only registers with the Finnish Tax Administration and submits (or undertakes to submit) the detailed recipient details to the Finnish Tax Administration, a 30 percent withholding tax rate can be applied, instead of 35 percent.

Any tax withheld in excess can be reclaimed after the year of the dividend payment by submitting a refund application to the Finnish Tax Administration no later than by the end of the third calendar year following the dividend payment year. During the year of dividend payment, the refund can be processed if custodians and the dividend distributor fulfill the above-mentioned requirements laid down for actual dividend distribution. It is exceptionally also possible that any tax not withheld at source is later assessed directly to the shareholder by the Finnish Tax Administration, in case the failure to withhold tax at source is not due to negligence of the custodian or the dividend distributor.

Certain Qualifying Non-resident Corporate Entities Residing in EU Member States

Under Finnish tax laws, no withholding tax is levied on dividends paid to foreign corporate entities that reside, and are subject to corporate tax, in an EU member state as specified in Article 2 of the Parent Subsidiary Directive 2011/96/EU, as amended (the “**Parent Subsidiary Directive**”), and that directly hold at least 10 percent of the capital in the distributing Finnish company.

Certain Non-resident Corporate Entities Residing within the EEA

Dividends paid to certain non-resident corporate entities residing within the EEA may be either fully tax-exempt or taxed at a reduced withholding tax rate, depending on how the dividend would be taxed if paid to a corresponding Finnish corporate entity.

No withholding tax is levied on dividends paid by a Finnish company to a non-resident entity provided that (i) the entity receiving the dividend resides within the EEA; (ii) the Council Directive 2011/16/EU on Administrative Cooperation in the Field of Taxation and Repealing Directive 77/799/EEC (the “**Mutual Assistance Directive**”), or an agreement regarding executive assistance and exchange of information in tax matters within the EEA is applicable to the home country of the recipient of the dividend; (iii) the corporate entity receiving the dividend corresponds to a Finnish corporate entity as defined in Section 33 d, Subsection 4, of the Finnish Income Tax Act or in Section 6 a of the Finnish Business Income Tax Act; (iv) the dividend would be fully tax-exempt if paid to such corresponding Finnish company or entity (see “—*Finnish Limited Liability Companies*” above); and (v) the company receiving the dividend provides evidence (in the form of a certificate issued by the home country’s tax authorities) that the paid withholding tax could not *de facto* be fully credited in the home country pursuant to an applicable Tax Treaty.

Notwithstanding the above, dividend income is only partly tax-exempt if the shares in the distributing company belong to the investment assets of the recipient company and the recipient company is not a corporate entity defined in the Parent Subsidiary Directive holding directly at least 10 percent of the capital in the distributing company. In such situations, the current applicable withholding tax rate is 15 percent provided that (i) the company receiving the dividend is a resident in a country within the EEA; (ii) the Mutual Assistance Directive or an agreement regarding executive assistance and exchange of information in tax matters within the EEA is applicable to the home country of the recipient of the dividend; and (iii) the company receiving the dividend corresponds to a Finnish corporate entity as defined in Section 33 d, Subsection 4, of the Finnish Income Tax Act or in Section 6 a of the Finnish Business Income Tax Act. Depending on the applicable Tax Treaty, the applicable withholding tax rate can also be less than 15 percent (see “—*Non-residents*” above).

Certain Non-resident Natural Persons Residing within the EEA

Instead of being subject to withholding tax as described under “—*Non-residents*” above, dividends paid to non-resident natural persons can be, upon request by such non-resident natural person, taxed pursuant to the Finnish Tax Assessment Procedure Act (*i.e.*, taxed similarly to dividends paid to residents of Finland (see “—*Resident Natural Persons*” above)) provided, however, that (i) the person receiving the dividend is resident in a country within the EEA; (ii) the Mutual Assistance Directive, or an agreement regarding executive assistance and exchange of information in tax matters within the EEA, is applicable to the home country of the recipient of the dividend; and (iii) the recipient of the dividend provides evidence (in the form of a certificate issued by the home country’s tax authorities) that any paid withholding tax could not *de facto* be fully credited in the home country pursuant to an applicable Tax Treaty.

Capital Gains

Resident Natural Persons

A capital gain or loss arising from the sale of shares that do not belong to the business activity of the shareholder is taxable in Finland as a capital gain or deductible as a capital loss for resident natural persons. Capital gains are currently taxed at a rate of 30 percent (34 percent on the amount that exceeds EUR 30,000 in a calendar year). If the shares belong to the business activity (business income basket) of the seller, any gain arising from the sale is deemed to be business income of the seller, which will as a main rule be divided according to the Finnish Income Tax Act to be taxed as earned income at progressive tax rates and capital income at a rate of 30 percent (34 percent rate on the amount that exceeds EUR 30,000 in a calendar year).

A capital loss arising from the sale of shares that do not belong to the business activity of the shareholder is deductible from the resident natural person's capital gains arising in the same year and during the following five tax years. The portion of capital loss not deducted from the capital gains for the tax year is deductible from the amount of net capital income before any other deductions are made (among others, tax deductible interest expenses and carry forward tax losses). However, capital loss does not entitle to deficit credit under the deficit crediting system. The deductibility of losses related to securities included in the seller's business activity is determined as described under "*—Finnish Limited Liability Companies*" below.

Notwithstanding the above, capital gains arising from the sale of shares that do not belong to the business activity of the shareholder are exempt from tax provided that the proceeds of all assets sold by the resident natural person during the tax year do not, in aggregate, exceed EUR 1,000 (exclusive of proceeds from the sale of any assets that are tax-exempt pursuant to Finnish tax laws). Correspondingly, capital losses are not tax deductible if the acquisition cost of all assets sold during the tax year does not, in aggregate, exceed EUR 1,000 (exclusive of proceeds from the sale of any assets that are tax-exempt pursuant to Finnish tax laws) and also the proceeds of all assets sold by the resident natural person during the tax year do not, in aggregate, exceed EUR 1,000.

Any capital gain or loss is calculated by deducting the original acquisition cost and sales related expenses from the sales price. Alternatively, a natural person holding shares (or other assets) that are not included in the business activity of the shareholder may, instead of deducting the actual acquisition costs, choose to apply a so-called presumptive acquisition cost, which is equal to 20 percent of the sales price, or in the case of shares which have been held for at least ten years, 40 percent of the sales price. If the presumptive acquisition cost is used instead of the actual acquisition cost, any selling expenses are deemed to be included therein and cannot be deducted separately from the sales price.

Finnish Limited Liability Companies

The following applies only to Finnish limited liability companies that are taxed on the basis of the Finnish Business Income Tax Act. As a general rule, a capital gain arising from the sale of shares is taxable income of a limited liability company.

Shares may be fixed assets, current assets, investment assets, financial assets or other assets of a limited liability company. The taxation of a disposal of shares and loss of value varies according to the asset type for which the shares qualify.

The sales price of any sale of shares which belong in business assets is generally included in the taxable business income of a Finnish company. Correspondingly, the acquisition cost of shares is deductible from such company's business income upon disposal of the shares. Any capital gain or loss is calculated by deducting the original acquisition cost and sales related expenses from the sales price.

However, an exemption for capital gains on share disposals is available for Finnish companies, provided that certain strictly defined requirements are met. Under Section 6b of the Finnish Business Income Tax Act (so-called participation exemption) capital gains arising from the sale of shares that are part of the fixed assets of a selling company that is not engaged in private equity activities are not considered taxable business income and, correspondingly, capital losses incurred on the sale of such shares are not tax deductible, provided that (i) the seller has directly and continuously for at least one year owned at least 10 percent of the share capital in the company whose shares are sold and such ownership has ended at the most one year before the sale of shares; (ii) the company whose shares have been sold is not a real estate or residential housing company or a limited liability company whose activities, *de facto*, mainly consist of ownership or possession of real estate; and (iii) the company whose shares are sold is resident in Finland, in another EU member state as specified in Article 2 of the Parent Subsidiary Directive or is a company that is resident in a country with which Finland has entered into a Tax Treaty that is applicable to dividends. In addition, in Finnish case law tax exemption in share disposals has required, among others, that there is a business connection between the company disposing shares and the company whose shares are disposed of. Sales proceed is, however, taxable to the extent the difference on the sales proceed and non-tax depreciated acquisition cost relates to the tax depreciation made on the shares.

Tax deductible capital losses pertaining to the sale of shares (other shares than shares sold under the participation exemption) that are part of the fixed assets of the selling company can only be deducted from capital gains arising from the

sale of shares part of fixed assets in the same fiscal year and the subsequent five years. Capital losses pertaining to the sale of shares that are not part of fixed assets are tax deductible from taxable income in the same fiscal year and the subsequent ten years in accordance with the general rules concerning losses carried forward.

From the tax year 2020, the Finnish Business Income Tax Act has been applied in calculating the taxable income of most corporations (with certain exceptions, such as certain real estate companies, or calculating taxable agricultural income). A new asset class, other assets, was introduced to the business income basket. Other assets comprise assets, which do not have a distinct connection to the business operations of a corporation, and assets that cannot be allocated to existing asset classes (*i.e.*, fixed assets, current assets, investment assets or financial assets). Capital gains on disposals of other assets are taxable. Capital losses on disposals of shares belonging to other assets can only be offset against capital gains on disposals of other assets and can only be carried forward for the subsequent five tax years. Capital losses which have been calculated according to the Income Tax Act and have not been offset before tax year 2020, can be carried forward for five years following the tax year of disposal of the asset, and will primarily be deductible from capital gains on disposals of other assets, and secondarily from capital gains on disposal of shares or real property belonging to fixed assets.

Non-residents

Non-residents who are not generally liable for tax in Finland are usually not subject to Finnish taxes on capital gains realized on the sale of shares in a Listed Company, unless the non-resident taxpayer is deemed to have a permanent establishment in Finland for income tax purposes as referred to in the Finnish Income Tax Act and an applicable Tax Treaty, and the shares are considered to be assets of that permanent establishment or more than 50 percent of the total assets of the transferred company comprised one or more real estate properties located in Finland.

Transfer Tax

Transfer tax is not payable in connection with the issuance of new shares.

There is no transfer tax payable in Finland on transfers of shares admitted to trading on the Official List of Nasdaq Helsinki or the First North Growth Market, if the transfer is made against a fixed pecuniary consideration. The transfer tax exemption also requires that an investment firm, a foreign investment firm or other party offering investment services, as defined in the Finnish Act on Investment Services, is brokering or acting as a party to the transaction, or that the transferee has been approved as a trading party in the market in which the transfer is executed. Further, if the broker or the counterparty to the transaction is not a Finnish investment firm, Finnish credit institution, or a Finnish branch or office of a foreign investment firm or credit institution, the transfer tax exemption requires that the transferee submits a transfer tax return to the Finnish Tax Administration within two months of the transfer, or that the broker submits an annual declaration regarding the transfer to the Finnish Tax Administration as set forth in the Finnish Tax Assessment Procedure Act.

Certain separately defined transfers, such as those relating to equity investments or distribution of funds, are not covered by the transfer tax exemption. Also, the exemption does not apply to transfers of shares in which the consideration consists partly or completely of employment or work.

If the transfer of the shares does not fulfill the above criteria for a tax-exempt transfer, transfer tax at the rate of 1.6 percent of the sales price is payable by the purchaser (or 2.0 percent if the company is deemed a housing company, mutual real estate company or other similar company). However, if the purchaser is neither tax resident in Finland nor a Finnish branch or office of a foreign credit institution, investment firm, fund management company or EEA alternative investment fund manager, the seller must collect the tax from the purchaser. If the broker is a Finnish stockbroker or credit institution, or a Finnish branch or office of a foreign stockbroker or credit institution, it is liable to collect the transfer tax from the purchaser and pay the tax to the state. If neither the purchaser nor the seller is tax resident in Finland or a Finnish branch or office of a foreign credit institution, investment firm, fund management company or EEA alternative investment fund manager, the transfer of shares will be exempt from Finnish transfer tax, unless shares in Finnish real estate companies are transferred. No transfer tax is collected if the amount of the tax is less than EUR 10.

LEGAL MATTERS

Certain legal matters in connection with the Offering will be passed upon for Duell by White & Case LLP. Certain legal matters in connection with the Offering will be passed upon for the Global Coordinator by Roschier, Attorneys Ltd.

DOCUMENTS ON DISPLAY

Copies of the following documents may be inspected during the period of validity of this Offering Circular at Duell's website at *investors.duell.eu*:

- the articles of association of the Company as at the date of this Offering Circular;
- the Audited Consolidated Financial Statements and the related auditor's reports; and
- this Offering Circular.

DOCUMENTS INCORPORATED BY REFERENCE INTO THIS OFFERING CIRCULAR

The following documents have been incorporated by reference into this Offering Circular according to Article 19 of the Prospectus Regulation and they form a part of the financial information of Duell. The non-incorporated information in the documents incorporated by reference into this Offering Circular is not relevant for investors or can be found elsewhere in the Offering Circular. The documents incorporated by reference are available at Duell's website at *investors.duell.eu*:

| Document | Information incorporated by reference |
|---|--|
| Duell's Annual Report FY 2023, available at: <i>investors.duell.eu/files/documents/Duell%20Corporation%20Annual_Report_2023.pdf</i> | The report of the Board of Directors of the Company on pages 26–33 and the Company's audited consolidated financial statements as at and for the financial year ended August 31, 2023, on pages 34–46. |
| Duell's Financial Statements and Board of Directors' Report 1.9.2022–31.8.2023, available at: <i>sijoittajat.duell.eu/files/documents/Duell%20Corporation%20-%20Group%20Financial%20Statements%202023%20and%20Auditors%20Report%202023_allekirjoitettu.pdf</i> | The independent auditor's report related to the Company's audited consolidated financial statements as at and for the financial year ended August 31, 2023, on pages 16–17. |
| Duell's Annual Report FY 2022, available at: <i>investors.duell.eu/files/documents/Duell_AR_2022.pdf</i> | The report of the Board of Directors of the Company on pages 26–32 and the Company's audited consolidated financial statements as at and for the financial year ended August 31, 2022, on pages 33–43. |
| Duell's Financial Statements and Board of Directors' Report 1.9.2021–31.8.2022, available at: <i>sijoittajat.duell.eu/files/documents/Duell%20Corporation%20Group%20Financial%20Statements%202022%20and%20Auditors%20Report%202022.pdf</i> | The independent auditor's report related to the Company's audited consolidated financial statements as at and for the financial year ended August 31, 2022, on pages 20–21. |

SUBSCRIPTION COMMITMENTS

The following table sets forth Duell's shareholders who have given Subscription Commitments and their ownership share of the Existing Shares:

| | Ownership share of Existing Shares (percent) | Contact details |
|---|---|---|
| Hartwall Capital | 26.1 | Pohjoisesplanadi 5, FI-00170 Helsinki, Finland |
| Sponsor Capital | 10.1 | Mannerheimintie 4, FI-00100 Helsinki, Finland |
| Saminvest Ltd ⁽¹⁾ | 0.3 | c/o Sponsor Capital, Sami Heikkilä, Mannerheimintie 4, FI-00100 Helsinki, Finland |
| Vayavaya Oy ⁽¹⁾ | 0.3 | c/o Sponsor Capital, Sandvall, Mannerheimintie 4, FI-00100 Helsinki, Finland |
| Cruselli Oy ⁽¹⁾ | 0.1 | Saukonpaadenranta 8 A 6, FI-00180 Helsinki, Finland |
| Cutesama Oy ⁽¹⁾ | 0.1 | c/o Kaj Hägglund, Nordenskiöldinkatu 4, FI-06100 Porvoo, Finland |
| Joe Invest Oy ⁽¹⁾ | 0.1 | Mellstenintie 11 A 2, FI-02170 Espoo, Finland |
| Jukivest Oy ⁽¹⁾ | 0.1 | Hietaniementie 5 B, FI-02160 Espoo, Finland |
| MJK Investment Oy ⁽¹⁾ | 0.1 | Mariankatu 15 A 27, FI-00170 Helsinki, Finland |
| Monetari-Invest Oy ⁽¹⁾ | 0.1 | c/o Ari Jokelainen, Birger Carlstedtin kuja 3 A, FI-02230 Espoo, Finland |
| SMA-Konsultointi Oy ⁽¹⁾ .. | <u>0.1</u> | c/o Suutarinen, Kuninkaanniemi 10 C, FI-02160 Espoo, Finland |
| Total | <u>37.5</u> | |

(1) A company controlled by a person involved in the operations of Sponsor Capital Oy.

THE COMPANY

Duell Corporation
Kauppatie 19
FI-65610 Mustasaari
Finland

GLOBAL COORDINATOR

Carnegie Investment Bank AB, Finland Branch

Eteläesplanadi 2
FI-00130 Helsinki
Finland

LEGAL ADVISERS

To the Company

White & Case LLP
Aleksanterinkatu 44
FI-00100 Helsinki
Finland

To the Global Coordinator

Roschier, Attorneys Ltd.

Kasarmikatu 21 A
FI-00130 Helsinki
Finland

AUDITOR

KPMG Oy Ab
Töölönlahdenkatu 3 A
FI-00100 Helsinki
Finland