

1 June 2021

North Wall Capital invites certain holders of the Subordinated Hybrid Loan issued by Stockmann to sell their position for cash consideration.

Invitation

North Wall Capital LLP (including funds and entities managed and/or advised by North Wall Capital LLP, the “**Acquirer**”) today announces an invitation to eligible holders of the Subordinated Hybrid Loan (ISIN: FI4000188776) issued by Stockmann plc (“**Stockmann**”) to offer their claims to North Wall Capital for cash purchase (the “**Invitation**”).

This Invitation gives holders of the Hybrid Loan the option to sell their claims for cash, rather than holding such claims through the restructuring process. This Invitation is also intended to provide an alternative to holders that are not able to hold the securities that will be offered as part of the completed restructuring.

The Acquirer will, at its sole discretion, prioritise claims offered at the Minimum Purchase Price (as defined below) in the order in which they were received.

North Wall Capital anticipates that its purchases will be limited to 20-30% of the total outstanding amount, and therefore encourages interested parties to express their interest swiftly.

About North Wall Capital

North Wall Capital is an active investor in European businesses with a focus on complex and distressed situations and is an existing investor in Stockmann’s capital structure. Our firm employs a long-term investment strategy and we are prepared to hold our Stockmann investments for 4-5 years.

Process

Claims offered to NWC will be considered on a first-come-first-served basis, up to a maximum of 20-30% of the total outstanding volume of Designated Claims:

- The Invitation is open until **11 June 2021**
- The claims will be acquired for a price of 55% of their original face value, i.e., 110% of their current restructured face value following the reduction of the total outstanding from €108m to €54m the “**Minimum Purchase Price**”). By way of an example, if the pre-reduction face value your investment has been €100,000, the Minimum Purchase Price would be €55,000.
- This price is in line with the prices paid by the Acquirer in previous transactions.
- Interested sellers that would seek to sell their claims for more than the Minimum Purchase Price may indicate their desire to do so, but North Wall will prioritise claims tendered at the Minimum Purchase Price

Potential Benefits to Sellers of Designated Claims

In order to be eligible to receive a full recovery entitlement in Stockmann's statutory reorganisation, holders of the Hybrid Loan must follow specific steps as described by the company: <http://www.stockmangroup.com/fi/yriytyssaneerausmenettely>.

Holders that are unwilling or unable to complete the required steps may benefit from a sale of their claims to North Wall Capital, because:

- Sellers will receive cash consideration swiftly from the Acquirer.
- Sellers will avoid exposure to commercial risks arising from Stockmann's performance or changes to the terms of its restructuring.
- Sellers will not be exposed to changes in Stockmann's share price.
 - Stockmann's share issue is approved for up to 100 000 000 new shares to restructuring creditors, which if used in full would increase its share count from 75 101 769 to 175 101 769 – an increase of 133%.
 - Should some of these creditors wish to exit, the resulting share overhang may affect the share price.

Conversion Process

Stockmann has begun steps related to its debt conversion per its statutory reorganisation as described here (<http://www.stockmangroup.com/fi/konversiot-2021-dokumentit>). The deadline for subscriptions is 18 June 2021.

If you wish to sell your holding for cash under this Invitation, you should not take any conversion steps yourself. If you do, this Invitation will not apply to you.

Execution

Should you wish to tender your claim, please contact stockmann@itainenojantakanen.fi and specify:

- Face value of your holding
- Price (as % of face value) if not the Minimum Purchase Price
- Whether you have taken any steps in relation to the Conversion Process
 - If you have already subscribed to convert your claim, a cash sale requires separate documentation

The Acquirer will favour claims tendered at the Minimum Purchase Price and may withdraw the Invitation early in its sole discretion without accepting claims tendered at a higher price.

This Invitation has not been authorized by Stockmann and the Acquirer is not otherwise connected to Stockmann. You should only contact stockmann@itainenojantakanen.fi directly in relation to this invitation.

Yours sincerely,

North Wall Capital LLP



This Invitation is not intended to form an offer or commitment by the Acquirer to enter into any further agreement with any party. The Acquirer will determine in its sole discretion which claims, if any, are accepted, and the price at which it is willing to acquire such claims, which is subject to change at any time. The Acquirer may withdraw the Invitation, or amend any of its terms, at its sole discretion at any time and without notice to any person. No representation guarantee is made that the Acquirer will elect to purchase the claims of all holders of such claims who offer them for purchase by the Acquirer. The Acquirer may at its sole discretion elect to purchase claims at different purchase prices. The Acquirer may also purchase claims or other interests in Stockmann, other than pursuant to this Invitation, in any manner (in the open market, in privately negotiated transactions or otherwise) at any price (which may be higher or lower than Minimum Purchase Price) and at any time from any holder, without notification or announcement.

This Invitation does not provide or offer financial, investment, tax, legal, regulatory or other advice and recipients of it must not rely on it as providing any form of advice. Holders of claims who may be considering tendering their claims should seek their own independent advice. It is the responsibility of any person or persons in receipt of this Invitation to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdiction.