

Shareholders' frequently asked questions about Clevon leaving First North*

1. **Question:** Will my shares be preserved during Clevon AS's planned departure from First North?

Answer: Yes. Leaving First North does not change the ownership of the shares. Each shareholder retains his shares.

2. **Question:** I did not participate in the exchange offer in the spring, during which shares of Clevon AS could be exchanged for shares of Clevon Investors AS. What should I do now? Can I still exchange my shares for the shares of Clevon Investors AS?

Answer: At the moment, no shareholder has to do anything with their shares. When Clevon AS leaves First North, each shareholder will retain his shares of Clevon AS. According to the current plans, Clevon AS and Clevon Investors AS are proposed to merge after leaving First North. In this case, both those shareholders who participated in the exchange offer in the spring, as well as those who did not, will formally be in the same situation, as they will become shareholders of the same company.

3. **Question:** In order for my shares to be preserved during the proposed merger of Clevon AS and Clevon Investors AS, do I have to do something myself, e.g., submit an application?

Answer: No, the merger is an automatic process. Therefore, if the shareholders adopt the merger resolution, the shares of one company are automatically replaced by those of the other. No shareholder will lose their shares.

4. **Question:** Do I understand correctly that the shares of Clevon AS will lose all their value or is it possible to do something with them? Or is the investment just money lost?

Answer: The quoted price of the shares of Clevon AS is published by First North and it has indeed fallen recently. Despite this, the management board of Clevon AS still firmly believes in the prospects of the product and the business of Clevon AS as well as the strength of its team. If the plan to leave First North transpires to be success, Clevon AS plans to attract additional investments from venture-capital investors who value shares differently compared to the market. Upon exiting First North, shareholders will retain their shares. If attracting additional investments is successful, the management board of Clevon AS intends to further develop the business, so as to enable the shareholders to sell their shares for as high a price as possible in the medium-long term.

5. **Question:** It was initially promised that Clevon AS would leave First North 5 months ago and that the shares of minority shareholders would be bought back for a fair price. Why has it taken so long? Was all this time spent waiting for the minority shareholders to sell their shares for a few dozen cents, seeing as First North shows that at the moment there is someone who is willing to buy the shares at a lower price, even though it is allegedly known that nothing can be done with the shares, and they should be written off? Or am I misunderstanding something?

Answer: You are correct, there is a misunderstanding. The buyout was promised on the condition that an investor who would be willing to finance it is found. In the intervening months, Clevon has been constantly looking for an investor who would be willing to finance the buyout of shares of minority shareholders. Unfortunately, no such investor has been found. This is the reason why the entire process has been "dragging". It has by now, unfortunately, become clear that it will not be possible to find such an investor. For this reason, Clevon AS has started the process of leaving First North to then find an investor who, while not buying any shares of the minority shareholders, would invest into the company so that we could continue to develop it in the interests of all shareholders.

None of Clevon AS, Clevon Investors AS, their management and shareholders have made offers on First North to buy shares of minority shareholders.

Each shareholder will retain his shares (see also answers to questions 1 and 4).

6. **Question:** The company announcement of 24 July 2023 states that if Clevon AS fails to leave First North and attract additional investments, Clevon AS will most likely become insolvent. What does it mean?

Answer: Clevon AS is in the growth phase, and it needs additional cash-flow to develop its business. To achieve this, it is necessary to attract additional investment. This cash-flow is needed to develop the business (including the CLEVON 1 vehicle), not to cover existing debts. For this reason, submitting a restructuring application is not an option: restructuring helps the company to deal with debts which have already been incurred, not to get funds to cover future expenses.

If Clevon AS cannot find funds to cover future expenses, the company will most likely have to terminate its operations. The management will then have no choice but to take the necessary steps required by the law.

The management has been looking for the necessary investments for a while now. The constant feedback from potential investors has been that what prevents investments is the fact that the shares of Clevon AS are traded on First North. For this reason, the management of Clevon AS is also optimistic that, upon leaving First North, the necessary investments for further development of the business will be found.

7. **Question:** If Clevon AS leaves the stock exchange, how can I get information in the future, what will happen to the company and what is the value of the shares?

Answer: Clevon AS will still be subject to the requirements of the Commercial Code and the Accounting Act. Clevon AS's website will continue to publish information for shareholders required by the aforementioned laws (for example, annual reports). However, the market price of the shares of Clevon AS will no longer be published anywhere. Each shareholder will be able to see the shares it owns on its securities' account, but they will no longer have a so-called stock market price. The price of a share in each transaction will depend on the specific agreement between the buyer and the seller, and neither the buyer nor the seller will be obliged to disclose that price.

8. **Question:** The stock exchange announcement stated that the transfer of Clevon AS shares in the future will prove to be more difficult. What does it mean? Sale via a notary?

Answer: No, the process of selling shares will remain largely the same as it is today (*i.e.*, a securities' orders must be issued through a bank for sale). After leaving First North, a transfer may become more complicated in practical terms, as there will be no trading venue to bring together the shareholders who want to sell their shares and the investors who want to buy them. For this reason, it is likely to be more difficult for the shareholder to find a buyer. Once a buyer has been found, the sale process itself will, as mentioned, remain largely the same as it is today.

9. **Question:** What happens to the shares in PIKs (pension investment accounts)?

Answer: According to the Funded Pensions Act, investments can only be made through PIKs in such financial assets that are traded on an exchange or a multilateral trading facility. The law does not directly provide any regulation for the eventuality of trading in such shares, into which an investment has been made through a PIK, being terminated. The law in and of itself does not prohibit keeping such shares in PIKs, but we would recommend that you contact your account manager (bank) if you have any questions in respect of this matter.

* The questions and answers have been formulated on the basis of questions sent by the shareholders of Clevon AS to the e-mail address info@clevon.ee no later than 28 July 2023 (in its company announcement of 25 July 2023, Clevon AS asked to submit questions related to the proposed exit from First North no later than on 28 July 2023).