COMPANY DESCRIPTION **2 August 2024**

LIFELINE 1 SPAC

CANATU

Listing on the First North Growth Market Finland of Nasdaq Helsinki Ltd

This company description (the "**Company Description**") is not a prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC. As at the date this Company Description the series A shares of Lifeline SPAC I Plc ("**Lifeline SPAC I**" or the "**Company**") are subject to trading under the code "LL1SPAC" on the SPAC-segment of the regulated market maintained by Nasdaq Helsinki Ltd ("**Nasdaq Helsinki**"). In addition, Lifeline SPAC I has unlisted series B shares (the series B shares together with the series A shares, the "**Shares**").

Lifeline SPAC I has on 5 July 2024 entered into agreement with the shareholders and option rights holders of Canatu ("**Canatu**" or the "**Target Company**") to acquire all outstanding shares, option rights and special rights entitling to shares in Canatu (the "**Transaction**" and the "**Transaction Agreement**"). Lifeline SPAC I will purchase all outstanding shares, option rights and special rights entitling to shares in Canatu from the current shareholders and option rights holders of Canatu (the "**Sellers**") through a directed share issue consisting new shares in Lifeline SPAC I. The fixed purchase price will be paid with 21,791,821 new series C shares (the "**Consideration Shares**") and 1,676,752 new, fully vested option rights entitling to new series A shares in Lifeline SPAC I (the "**Consideration Options**"). In addition, Lifeline SPAC I and Canatu have agreed on an additional purchase price which would become payable if the share price exceeds certain volume weighted average share prices. The Transaction is subject to the approval of Lifeline SPAC I's Extraordinary General Meeting to be held on 23 August 2024 (the "**EGM**"). Lifeline SPAC I's Board of Directors proposes to the EGM the changing of Lifeline SPAC I's name to Canatu Plc (Canatu Oyj in Finnish). Subject to the approval of Lifeline SPAC I's EGM and as a result of the completion of the Transaction, Canatu will become a wholly-owned subsidiary of Lifeline SPAC I (the "**Combined Company**"). The Combined Company will continue to conduct Canatu's business operations. For further information, see sections "*The Transaction and the Transaction Agreement*" and "*Information on the Combined Company*".

Subject to the approval of Lifeline SPAC I's EGM, Lifeline SPAC I will submit an application to list all of the Combined Company's series A shares (the "**Listing Shares**") on the multilateral First North Growth Market Finland marketplace (the "**First North marketplace**") operated by Nasdaq Helsinki under the trading code "CNT" (the "**Listing**"). Trading in the Listing Shares is expected to commence on the First North marketplace on or about 17 September 2024. The Consideration Shares are automatically converted into new series A shares in the Combined Company 60 days after the completion of the Transaction and applied to be listed on the First North marketplace as new Listing Shares. Carnegie Investment Bank Ab (publ) will act as the Combined Company's certified adviser (the "**Certified Adviser**") referred to in the Nasdaq First North Growth Market Rulebook for Issuers of Shares.

Lifeline SPAC I has prepared this Company Description and the Finnish language Company Description (the "**Finnish Company Description**") to enable the listing of the Listing Shares on the First North marketplace. Lifeline SPAC I will not offer existing or new shares in connection with the Listing.

The Listing Shares may not be offered or sold, directly or indirectly, in or into the United States, and the Listing Shares have not 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 except in transactions exempt from registration under the U.S. Securities Act and any applicable United States state law. The Finnish Company Description or this Company Description do not constitute an offer to sell or a solicitation of an offer to buy the Listing Shares in any jurisdiction where an offer or a solicitation would be unlawful. Lifeline SPAC I or its representatives accept no legal responsibility for violations of these restrictions, regardless of whether the prospective purchasers of the Listing Shares are aware of such restrictions. See also "*Important Information*".

Nasdaq First North Growth Market is a registered SME growth market, in accordance with the Directive on Markets in Financial Instruments (EU 2014/65) as implemented in the national legislation of Denmark, Finland, Iceland and Sweden, operated by an exchange within the Nasdaq group. Issuers on Nasdaq First North Growth Market are not subject to all the same rules as issuers on a regulated main market, as defined in 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 Nasdaq 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 Nasdaq First North Growth Market have a Certified Adviser who monitors that the rules are followed. The respective Nasdaq exchange approves the application for admission to trading.

The distribution of the Company Description may be restricted by law in certain jurisdictions. The Company Description may not be distributed in the United States, Canada, New Zealand, Australia, Japan, Hong Kong, Singapore, South Africa or any other jurisdiction in which such distribution may lead to a breach of any law or regulatory requirement.

An investment in the Listing Shares involves risks. Prospective investors are advised to acquaint themselves with the entire Company Description and, in particular, "*Risk Factors*", when considering an investment in the Listing Shares.

Joint Financial Advisors

Carnegie Danske Bank

Certified Adviser

Carnegie

IMPORTANT INFORMATION

In connection with the Listing, Lifeline SPAC I has prepared a Finnish language company description (the "**Finnish Company Description**"). The Finnish Company Description has been prepared in accordance with the decree of the Ministry of Finance (1281/2018, as amended) on the basic information document referred to in Chapter 3, Section 2 of the Securities Markets Act and the rules of First North marketplace. The Finnish Company Description contains the information of the basic information document referred to in Chapter 3, Section 2 of the Finnish Securities Markets Act (746/2012, as amended) (the "**Finnish Securities Markets Act**"). The provisions of Chapter 3 of the Finnish Securities Markets Act concerning the prospectus and the provisions of the Regulation ((EU) 2017/1129) of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, do not apply to the Finnish Company Description. The Finnish Company Description cannot be used for applying for securities to be traded on a regulated market as referred to in Chapter 2, Section 5 of the Finnish Securities Markets Act or for offering securities on a regulated market, but only for applying for trading on the multilateral First North Growth Market Finland marketplace ("**First North marketplace**") operated by Nasdaq Helsinki Ltd ("**Nasdaq Helsinki**") and related public offering in accordance with the rules of the First North marketplace. The Finnish Company Description may not contain all the information published by Lifeline SPAC I about its business. Nasdaq Helsinki has reviewed the Finnish Company Description, but Lifeline SPAC I and Canatu are responsible for the information presented therein in accordance with the section "*Parties responsible for the information given in the Company Description*". Investors should make their own assessment as to the suitability of investing in the securities. This company description ("**Company Description**") is a translation of the Finnish Company Description and contains the same information as the Finnish Company Description. This Company Description has not been reviewed by Nasdaq Helsinki. In the event of any discrepancies between the Finnish Company Description and this Company Description, the Finnish Company Description shall prevail.

In this Company Description, any references to "**Lifeline SPAC I**" and the "**Company**" mean Lifeline SPAC I Plc. References to the shares or share capital of the Company or to the administration of the Company, respectively, shall refer to the shares, share capital or administration of Lifeline SPAC I Plc. In this Company Description, any references to "**Canatu**" and the "**Target Company**" mean Canatu Oy and its subsidiaries collectively, except where it is clear from the context that the term refers only to Canatu Oy, its subsidiary or business operations, or to certain of these collectively, as the case may be. In this Company Description, any reference to the "**Combined Company**" means the group with Lifeline SPAC I Plc as the parent company and Canatu Oy as its subsidiary after the Transaction has been completed, except where it is clear from the context that the terms refer only to Lifeline SPAC I Plc after the Transaction has been completed. References to the shares or share capital of the Combined Company or to the administration of the Combined Company, respectively, shall refer to the shares, share capital or administration of Lifeline SPAC I Plc after the Transaction has been completed. "**Lifeline Ventures**" refers to Lifeline Ventures Fund Management Ltd., LLV Fund Management Ltd and Lifeline Ventures fund management companies. Lifeline Ventures as a company does not participate in the activities of Lifeline SPAC I, but the shareholders of Lifeline Ventures (Timo Ahopelto, Kai Bäckman, Petteri Koponen and Juha Lindfors, together, the "**Sponsors**" and each separately, a "**Sponsor**") invest risk capital in Lifeline SPAC I. Any reference to the "**Sponsor Committee**" means the Sponsors and Ilkka Paananen acting as the Chair of the Sponsor Committee.

Lifeline SPAC I has prepared the Company Description only for the purpose to enable the listing of the series A shares of the Combined Company (the "**Listing Shares**") on the First North marketplace. Nothing contained in this Company Description shall constitute a promise or a representation by Lifeline SPAC I, Carnegie Investment Bank AB, Finland Branch ("**Carnegie**") or Danske Bank A/S, Finland Branch ("**Danske**") (Carnegie and Danske jointly the "**Joint Financial Advisors**") regarding the future and the Company Description should not be considered as such a promise or representation. Prospective investors should, prior to making an investment decision, carefully acquaint themselves with the entire Company Description. In making an investment decision, prospective investors must rely on their own examinations of the Combined Company. No person has been authorised to provide any information or to give any statements other than those contained in the Company Description in connection with the Listing. If such information is provided or such statements are given, they should be considered not to have been approved by Lifeline SPAC I or the Joint Financial Advisors. The distribution of the Company Description or any offering or sale based thereon does not mean, under any circumstances, that the information contained in the Company Description is accurate in the future or that there has been no change in Lifeline SPAC I's or the Combined Company's business after the date of the Company Description.

Lifeline SPAC I makes no representation to the purchasers of the Listing Shares as regards the legality of their investments in the Listing Shares under the laws applicable to them. Investors should consult their own advisers as considered necessary before purchasing the Listing Shares. Investors are required to make their own independent assessments of the legal, tax, business, financial, and other consequences and risks related to purchasing the Listing Shares.

The legislation of certain jurisdictions sets restrictions for distributing this Company Description. Accordingly, the Listing Shares may not be sold, directly or indirectly, and neither this Company Description nor any other material or advertisement relating to the Listing Shares may be distributed or published in any jurisdiction in which this would breach the applicable laws or require measures under the laws of any country other than Finland. Lifeline SPAC I has not and will not take any measures to allow the public offering of the Shares outside of Finland. Accordingly, any person who resides in a country other than Finland may not be able to receive this Company Description or purchase any Shares. It is not Lifeline SPAC I's responsibility to acquire appropriate information regarding or to comply with the above-mentioned restrictions. This Company Description does not constitute an offer to sell or a solicitation of an offer to buy the Listing Shares in any jurisdiction where an offer or a solicitation would be unlawful. Lifeline SPAC I or its representatives do not accept any legal responsibility for any such violations, whether or not a prospective purchaser of the Listing Shares is aware of such restrictions.

The Listing is governed by Finnish law. Any disputes arising in connection with the Listing will be settled by a court of competent jurisdiction in Finland.

CONTENTS

LIFELINE SPAC I, CANATU AND THE TRANSACTION IN BRIEF

Introduction and Warnings

*This overview should be read as an introduction to this Company Description ("**Company Description**"). Any decision to invest in the series A shares (the "**Listing Shares**") of the company to be formed after the transaction (the "**Transaction**") between Lifeline SPAC I Plc ("**Lifeline SPAC I**") and Canatu ("**Canatu**") (the "**Combined Company**") should be based on consideration of this Company Description as a whole by the investor.*

An investor investing in the securities could lose all or part of the invested capital. Where a claim relating to the information contained in the Company Description is brought before a court, the plaintiff investor might, under applicable law, have to bear the costs of translating the Company Description before legal proceedings are initiated.

The identity and contact details of the Issuer are:

Company	Lifeline SPAC I Plc
Business identity code	3229349-3
Legal entity identifier (LEI)	743700CKOP7IHGI98B12
Domicile	Helsinki, Finland
Registered address	Pursimiehenkatu 26 C, FI-00150 Helsinki

As at the date of this Company Description, Lifeline SPAC I has two series of shares: series A shares and series B shares (together, the "**Shares**"). The ISIN codes for the shares are FI4000512496 (series A shares) and FI4000512124 (series B shares). Lifeline SPAC I's series A shares are subject to trading on the SPAC segment of the regulated market of Nasdaq Helsinki Ltd ("**Nasdaq Helsinki**") under the trading code "LL1SPAC".

Key Information on Lifeline SPAC I

Who is the issuer of the securities?

The issuer's official name is Lifeline SPAC I Oyj in Finnish and Lifeline SPAC I Plc in English. Lifeline SPAC I Plc is a public limited liability company incorporated in Finland and operating under Finnish law, and it is domiciled in Helsinki, Finland, and its LEI is 743700CKOP7IHGI98B12.

Principal activities

Lifeline SPAC I is a Finnish Special Purpose Acquisition Company (SPAC), which is a public limited liability company established for the purpose of making an acquisition. Lifeline SPAC I raised EUR 100 million in gross proceeds in its initial public offering on 14 October 2021. The primary strategy of Lifeline SPAC I is to identify and merge with an unlisted technology-focused Nordic company with high growth potential. After examining a large pool of potential opportunities, Lifeline SPAC I has concluded that Canatu materially conforms to Lifeline SPAC I's investment criteria and has selected Canatu as the target company in accordance with its investment process.

Major shareholders

Shareholders owning 5 per cent or more of the shares or proportion of voting rights in Lifeline SPAC I have an interest in the company's share capital which is notifiable pursuant to the Finnish Securities Markets Act (746/2012, as amended) (the "**Finnish Securities Markets Act**"). The following table sets forth the shareholders owning 5 per cent or more of the shares or votes in Lifeline SPAC I, based on information available to Lifeline SPAC I as at 31 July 2024:

Shareholder	Number of series A shares	Number of series B shares	Number of Shares in total	Number of votes in total	Proportion of Shares and votes %
WIP Asset Management Ltd[1]	0	0	0	1,526,254	12.12
G.W.Sohlberg Corporation.....	1,000,000	0	1,000,000	1,000,000	7.94
Varma Mutual Pension Insurance Company..............	900,000	0	900,000	900,000	7.15
Ahlstrom Invest B.V.	700,000	0	700,000	700,000	5.56
Mandatum Life Insurance Company Limited..................	639,065	0	639,065	639,065	5.07
Other shareholders...............	6,855,930	2,500,000	9,355,930	7,829,676	62.16
Total.......................................	**10,094,995**	**2,500,000**	**12,594,995**	**12,594,995**	**100.00**

1) According to the flagging notification made by WIP Asset Management Ltd in accordance with Chapter 9, Section 10 of the Finnish Securities Markets Act on 5 July 2024, WIP Asset Management Ltd has the right to use 12.21 per cent of the voting rights attached to all shares in Lifeline SPAC I based on the open-ended proxies given to WIP Asset Management Ltd by its investment clients. The proxies entitle WIP Asset Management Ltd to represent the shareholders at Lifeline SPAC I's general meetings at its own discretion and without instructions from the shareholders.

Lifeline SPAC I has no knowledge of any shareholder exercising control over Lifeline SPAC I or of any other events or arrangements that may have an impact on the exercise of control over Lifeline SPAC I in the future.

Certain large shareholders of Lifeline SPAC I, *i.e.*, Ahlstrom Invest B.V., certain investment funds of SP-Fund Management Company Ltd and WIP Asset Management Ltd, Mandatum Life Insurance Company Limited, G.W. Sohlberg Corporation and Varma Mutual Pension Insurance Company, and certain other shareholders, including the members of Lifeline SPAC I's Board of Directors, Management Team and Sponsor Committee, together representing as at the date of this Company Description approximately 72 per cent of the Shares and votes in Lifeline SPAC I, have irrevocably undertaken to support and vote in favour of the Transaction at Lifeline SPAC I's EGM resolving on the Transaction.

Board of Directors, Management Team and auditor

The following table sets forth the members of Lifeline SPAC I's Board of Directors as at the date of this Company Description:

Name	Year of Birth	Position	Board Member Since
Timo Ahopelto	1975	Chair	2021
Alain-Gabriel Courtines	1971	Vice Chair	2021
Caterina Fake	1968	Board Member	2021
Irena Goldenberg	1979	Board Member	2021
Petteri Koponen	1970	Board Member	2021

The following table sets forth the members of Lifeline SPAC I's Management Team as at the date of this Company Description:

Name	Year of Birth	Position	Management Team Member Since
Tuomo Vähäpassi	1969	CEO	2021
Mikko Vesterinen	1983	CFO	2021

Auditing firm KPMG Oy Ab acts as the statutory auditor of Lifeline SPAC I with Jussi Paski, Authorised Public Accountant, as the principal auditor.

What is the key financial information regarding the issuer?

The following tables present selected financial information of Lifeline SPAC I as at and for the financial years ended 31 December 2023 and 31 December 2022 and for the period from 13 August to 31 December 2021, and as at and for the six months ended 30 June 2024, including the comparative financial information for the six months ended 30 June 2023. The selected financial information presented below has been derived from Lifeline SPAC I's audited financial statements for the financial years ended 31 December 2023 and 31 December 2022 and for the period from 13 August to 31 December 2021, which have been prepared in accordance with IFRS Accounting Standards of the International Accounting Standards Board (IASB) as adopted by the EU ("**IFRS Accounting Standards**"), and Lifeline SPAC I's unaudited interim financial report as at and for the six months ended 30 June 2024 prepared in accordance with "IAS 34 – Interim Financial Reporting", including the unaudited comparative financial information for the six months ended 30 June 2023, all of which are incorporated by reference into this Company Description.

The following table presents certain key figures for Lifeline SPAC I as at and for the periods indicated:

	1 January–30 June and as at 30 June		**1 January–31 December and as at 31 December**		**13 August–31 December and as at 31 December**
EUR thousand	**2024**	**2023**	**2023**	**2022**	**2021**
	(unaudited)		**(audited)**		
Income Statement Information					
Revenue	-	-	-	-	-
Operating profit (-loss)	-1,077	-738	-1,429	-663	-6,990
Result for the financial period	713	195	-1,419	-1,552	-7,196
Basic and diluted earnings per share (EUR)[1]	0.29	0.08	0.57	-0.62	-4.27
Balance Sheet Information					
Total assets	105,795	102,713	103,992	101,696	102,248
Total equity	4,510	2,573	3,797	2,378	3,930
Statement of Cash Flow Information					
Total cash flow from operating activities	-286	-417	-1,163	-453	-387
Total cash flow from investment activities	-	-	-	-	-
Total cash flow from financing activities	-	-	-	-	2,421

1) Earnings per share = Result for the financial period / Weighted average number of series B shares during the period. Redeemable series A shares as well as the Founder Warrants and the Sponsor Warrants are not taken into account as dilutive potential ordinary shares in the calculation of earnings per share.

Lifeline SPAC I's auditor's report relating to audited financial statements as at and for the financial year ended 31 December 2023 contains an emphasis of a matter regarding material uncertainty related to going concern. The auditor draws attention to Note "Basis of preparation and Going Concern" of the financial statements according to which if the acquisition has not been approved in a General Meeting and completed within 36 months of the date when the shares of Lifeline SPAC I were admitted to trading on the SPAC segment of the regulated market of Nasdaq Helsinki (i.e. by 15 October 2024), Lifeline SPAC I's Board of Directors of the Company shall be obligated to convene a General Meeting to decide on placing Lifeline SPAC I into liquidation. In this situation, the General Meeting shall be obligated to approve the proposal of placing Lifeline SPAC I into liquidation and decide on placing Lifeline SPAC I into liquidation. Lifeline SPAC I's Board of Directors considers that the liquidity of Lifeline SPAC I on 31 December 2023 is sufficient to cover Lifeline SPAC I's needs for at least until Lifeline SPAC I's period for closing the acquisition expires in October 2024. In addition, Lifeline SPAC I's Sponsors have committed to subscribe for a maximum of 200,000 series A shares in Lifeline SPAC I at a subscription price of EUR 10.00 per share, if Lifeline SPAC I needed additional working capital to search target companies and finalise the acquisition. In the auditor's view, the conditions described above indicate that the continuity of Lifeline SPAC I's operations for the 12 months following the date of the financial statements is contingent on the acquisition being approved in a General Meeting and completed by 15 October 2024, which may raise significant doubts about Lifeline SPAC I's ability to continue its operations. The auditor's opinion in the auditor's report has not been modified in respect of this matter. On 5 July 2024, Lifeline SPAC I's Sponsors Timo Ahopelto, Petteri Koponen and Juha Lindfors subscribed for 94,995 new series A shares in a directed issue for a subscription price of EUR 10.00 per share in order to ensure the sufficiency of Lifeline SPAC I's working capital for the completion of the Transaction.

There are no qualifications in the auditors' reports relating to Lifeline SPAC I's audited financial statements for the financial year ended 31 December 2022 and for the period from 13 August to 31 December 2021.

Who is the target company?

The business name of Canatu is Canatu Oy, and it is domiciled in Helsinki, Finland. Canatu is a limited liability company registered in Finland and established in accordance with Finnish law. Canatu was registered in the Trade Register on 18 March 2004. Canatu is entered in the Trade Register under business identity code 1886098-1 and its LEI code is 8945007ZRTM45H9HF841. Canatu's postal address is Tiilenlyöjänkuja 9 A, FI-01720 Vantaa, Finland. Canatu's website is at https://canatu.com/. Canatu's financial year is the calendar year.

Principal activities

Canatu develops advanced CNT-based materials and CNT reactors for products that transform industries. Canatu's development work for carbon nanotube technology, Canatu CNT, has created an advanced Dry Deposition™ process that aims to ensure the required versatility and reliability of CNT material for advanced engineered solutions. Canatu partners with forerunner companies to transform the product offering with nano carbon. Canatu's focus is on the semiconductor industry, the automotive industry and medical diagnostics, with its portfolio covering, among others, CNT membranes used in EUV lithography and film heaters for ADAS.

Shareholders

The shareholders of Canatu have concluded a shareholders' agreement which will cease to be in effect on the date of completion of the Transaction.

Notwithstanding the above, Canatu has no knowledge of any shareholder exercising control over Canatu or of any other events or arrangements that may have an impact on the exercise of control over Canatu in the future.

Board of Directors, Management Team and auditor

The following table presents the members of Canatu's Board of Directors as at the date of this Company Description:

Name	Year of Birth	Position	Board Member Since
Ari Ahola	1957	Chair	2021 and in 2008–2019
Jörg Buchholz	1969	Board Member	2018
Anthony Cannestra	1964	Board Member	2017
Sami Lampinen	1970	Board Member	2023 and in 2011–2021
Thomas P. Lantzsch	1960	Board Member	2023

The following table presents the members of Canatu's management team as at the date of this Company Description:

Name	Year of Birth	Status	Management Team Member Since
Juha Kokkonen	1969	CEO	2016
Timo Suominen	1969	CFO	2017
Jussi Rahomäki	1982	CPO, Conductive Films	2024
Heikki Heinaro	1962	CPO, Free-Standing Films	2023
Ilkka Varjos	1978	CTO	2012
Samuli Kohonen	1973	CSO	2017
Mari Makkonen	1981	VP, Marketing & Communications	2020
Taneli Juntunen	1990	VP, Engineering	2022
Antti Valkola	1983	VP, Manufacturing	2021
Markku Lamberg	1971	VP, Supply Chain Management	2018
Risto Laine	1985	VP, Manufacturing Equipment	2022
Ann-Sofi Reims	1968	VP, HR	2023

Ernst & Young Oy, Authorised Public Accountants, acts as Canatu's auditor, with Authorised Public Accountant Harri Kauttonen as the principal auditor.

What is the key financial information regarding the target company?

The following table presents certain key figures for Canatu as at and for the periods indicated:

	As at and for the financial year ended 31 December		
EUR thousand	**2023**	**2022**	**2021**
	(unaudited, unless otherwise stated)		
Net turnover(1	13,591	8,382	5,455
Gross profit(2, (3	9,632	5,503	3,330
Gross profit %(2, (3	71%	66%	61%
EBITDA(3	278(4	-1,782	-2,911
EBITDA %(3	2%(4	-21%	-53%
Operating profit (loss), EBIT(1	-640(4	-2,440	-3,660
Operating profit (loss), EBIT %	-5%(4	-29%	-67%
Profit (loss) for the financial year(1	-1,318(4	-2,974	-3,930
Equity ratio %(3	28%(4	30%	12%

1) Audited.
2) Based on Lifeline SPAC I's due diligence work, certain personnel expenses have been reclassified from operating expenses to cost of goods sold.
3) Alternative performance measure.
4) Includes approximately EUR 1.7 million conversion of a Business Finland loan into a grant, which has been recognised as other operating income.

There are no qualifications in the auditors' reports relating to Canatu' I's audited financial statements for the financial years ended 31 December 2023, 31 December 2022 and 31 December 2021.

Unaudited pro forma financial information

The unaudited pro forma combined financial information (the "**Pro Forma Information**") is presented for illustrative purposes only to give effect to the Transaction between Lifeline SPAC I and Canatu and the Listing of Combined Company as if the Transaction and the Listing had been completed at an earlier date.

The pro forma income statement for the year ended 31 December 2023 is presented to give effect to the Transaction and the Listing as if those had occurred on 1 January 2023. The pro forma balance sheet as at 31 December 2023 is presented to give effect to the Transaction and the Listing as if those had occurred on that date. The Pro Forma Information is unaudited.

The hypothetical financial position and results included in the Pro Forma Information may differ from the Combined Company's actual financial position and results of operations. Further, the Pro Forma Information does not purport to project the financial position or results of operations of the Combined Company as of any future date.

The Pro Forma Information has been compiled on a basis consistent with Annex 20 to the Commission Delegated Regulation (EU) 2019/980, and with the accounting principles to be applied by the Combined Company in its consolidated financial statements following the Transaction and Listing to be prepared in accordance with the laws and regulations governing the preparation of financial statements in Finland (the "**Finnish Accounting Standards**" or "**FAS**").

The Pro Forma Information reflects adjustments to the historical financial information to give pro forma effect to events that are directly attributable to the Transaction and the Listing and are factually supportable. The pro forma adjustments include certain assumptions related to the valuation of the Consideration Shares, potential amount of additional purchase price, possible cash redemptions of Lifeline SPAC I's series A shares, accounting policy alignments and other events related to the Transaction and the Listing that the management believes are reasonable under the circumstances. Considering the fact that the final accounting impact of the Transaction and the Listing can only be determined at the date of the completion of the Transaction and the Listing, the pro forma adjustments presented in this Company Description are preliminary and based on information available at this time and, accordingly, the Pro Forma Information is subject to change. There can be no assurance that the assumptions used in the preparation of the Pro Forma Information will prove to be correct. The actual results of the Transaction and the Listing may materially differ from the assumptions used and pro forma adjustments reflected in the Pro Forma Information.

The following table sets forth a summary of key figures relating to the Pro Forma Information as at the dates and for the periods indicated:

	1 January–31 December 2023 and as at 31 December 2023 FAS
EUR thousand	**Combined Company pro forma**
	(unaudited)
Revenue	13,591
Operating profit (loss)	-2,939
Profit (loss) for the financial year	-2,922
Earnings per share basic and diluted, EUR	-0.09
Total equity	113 071
Cash and cash equivalents	104 178
Balance sheet total	125 021

Key Information on the Securities

What are the main features of the securities?

As at the date of this Company Description, Lifeline SPAC I's share capital is EUR 80,000. Lifeline SPAC I has two (2) series of shares. The total number of shares in Lifeline SPAC I is at the date of this Company Description 12,594,995 shares divided into 10,094,995 series A shares and 2,500,000 series B shares. The Shares have no nominal value. The Shares are registered in the Finnish book-entry accounts system maintained by Euroclear Finland Oy, and the ISIN code of the series A shares is FI4000512496 and the ISIN code of the series B shares is FI4000512124. As at the date of this Company Description, Lifeline SPAC I does not hold any of its own Shares. Based on the shareholdings in Lifeline SPAC I and Canatu on 31 July 2024, the Combined Company's certified adviser Carnegie Investment Bank AB (publ) does not hold any shares in the Combined Company. The Shares are issued under Finnish law and they are denominated in euro.

All of Lifeline SPAC I's Shares carry equal voting and economic rights, except for the redemption condition of series A shares, and the exclusion of right to dividend and distribution of assets and of the right to distributive share in the event of dissolution of Lifeline SPAC I of series B shares. The economic rights of the series B shares are tied to the success of the Transaction, so that these shares will be converted into series A shares at the shareholder's request if the conditions set out in the Articles of Association are met. Lifeline SPAC I's Articles of Association are proposed to be amended, subject to the completion of the Transaction, so that the redemption clause of series A shares would be removed after the potential requests for redemption of series A shares have been carried out.

The shareholders and option rights holders of Canatu shall receive 21,791,821 new series C shares (the "**Consideration Shares**") and 1,676,752 new, fully vested option rights entitling to new series A shares (the "**Consideration Options**") as consideration in connection with the Transaction. The Consideration Shares will be automatically converted into new series A shares within 60 days after the completion of the Transaction.

As at the date of this Company Description, Lifeline SPAC I has issued 2,337,500 warrants to the members of its Board of Directors and the Sponsor Committee (the "**Sponsor Warrants**") as well as 495,833 warrants to the members of its Management Team (the "**Founder Warrants**"). In addition, if the Extraordinary General Meeting approves the Transaction, Lifeline SPAC I issues a total maximum of 3,364,998 warrants (the "**Investor Warrants**") to those shareholders who do not vote against the Transaction and require the redemption of their series A shares. Each Sponsor Warrant, Founder Warrant and Investor Warrant entitles their holder to subscribe for one new series A share. The subscription price for the shares to be subscribed for with the Sponsor Warrants and the Founder Warrants is EUR 12.00 per share and the subscription price for the shares to be subscribed for with the Investor Warrants is EUR 11.50 per share.

A holder of series B shares has the right to demand conversion of their series B shares into series A shares at a 1:1 conversion rate. Any conversion right becomes exercisable, and shall always remain exercisable, after the trading day on which the closing price series A shares, during any ten (10) days in the period of any consecutive thirty (30) trading days after Lifeline SPAC I's Extraordinary General Meeting has approved the Transaction, equals or exceeds the below threshold ("the **"Share Price Limit**"):

- 8/50 can be converted when the price equals or exceeds EUR 10 per share.
- 21/50 can be converted when the price equals or exceeds EUR 12 per share.
- 21/50 can be converted when the price equals or exceeds EUR 14 per share.

If Lifeline SPAC I or the Combined Company distributes funds as a dividend or other distribution of assets, the Share Price Limit will be decreased on a euro-for-euro basis, effective immediately following the record date of such distribution. In derogation from the conversion right, the conversion right for all series B shares will become exercisable, and will always remain exercisable, if a tender offer for the shares is announced, or if a shareholder has the right and obligation to redeem the shares from other shareholders under Chapter 18 of the Finnish Limited Liability Companies Act (624/2006, as amended, the "**Finnish Companies Act**") or in the event of any merger or demerger pursuant to the Finnish Companies Act in which Lifeline SPAC I or the Combined Company is involved.

Lifeline SPAC I's Articles of Association stipulate the conditions for how a shareholder of series A shares may require the redemption of their series A shares in connection with the Transaction. The following terms and conditions are applied to the redemption of the series A shares:

- Shareholders of series A shares who vote against the completion of the Transaction at the Extraordinary General Meeting deciding on the Transaction may require the redemption of their series A shares. The right of redemption requires that the Transaction is approved and the shareholder has submitted a request for redemption of the shares to the Board of Directors of Lifeline SPAC I within ten banking days, including that day, of the date of approval of the Transaction by the Extraordinary General Meeting. The request must be made in writing in the manner and on the form provided by Lifeline SPAC I. The form must show the number of shares requested to be redeemed. Lifeline SPAC I will publish more detailed instructions on the exercise of the redemption right in connection with the publication of the notice convening the Extraordinary General Meeting.
- Submission of a redemption request for shares requires that the shareholder is entered in Lifeline SPAC I's shareholder register maintained in the book-entry system by the record date of the Extraordinary General Meeting at the latest.
- The redemption price is the subscription price paid in Lifeline SPAC I's initial public offering in October 2021, *i.e.*, the redemption price is EUR 10.00 per share to be redeemed. The redemption price will be paid in cash according to a schedule decided by the Board of Directors of Lifeline SPAC I.
- When Lifeline SPAC I redeems series A shares, the decision on the redemption of shares shall be made at the Extraordinary General Meeting unless the Extraordinary General Meeting has authorised the Board of Directors to decide on the redemption of shares and provided that the redemption can be implemented with unrestricted equity. If restricted equity is used for the redemption, the redemption of shares is conditional on the consent of the creditors, in the manner required by the Finnish Companies Act.

The shares of a shareholder of series A shares may be redeemed in accordance with the above only if the shareholder declares on the redemption request form provided by Lifeline SPAC I that the shareholder does not belong to the group of persons who are not entitled to request the redemption of their shares under applicable Nasdaq Helsinki's rules and if the redemption can be implemented in accordance with Chapter 13 of the Finnish Companies Act on the distribution of assets.

Once the Board of Directors has determined that the redemption request meets the conditions set out in Lifeline SPAC I's Articles of Association, the Finnish Companies Act and other applicable legislation, as well as the rules of Nasdaq Helsinki, Lifeline SPAC I will redeem the shares, as proposed by the Board of Directors for the EGM to be held on 23 August 2024, within three months from the EGM approving the Transaction. If the redemption date is not a banking day, the redemption will take place on the banking day immediately following that day. The redemption price is paid using primarily Lifeline SPAC I's invested unrestricted equity. No interest is paid on the redemption price.

Where will the securities be traded?

Lifeline SPAC I intends to apply for the listing of the Combined Company's series A shares (the "**Listing Shares**") to public trading on the Nasdaq First North Growth Market Finland (the "**First North marketplace**") (the "**Listing**") under the trading code "CNT". An application for the Listing will be submitted prior to the date for the Listing. As at the date of this Company Description, the series A shares in Lifeline SPAC I are subject to public trading on the SPAC segment of the regulated market of Nasdaq Helsinki. Trading in the Listing Shares is expected to commence on the First North marketplace on 17 September 2024 or as soon as reasonably possible thereafter.

Key Information on the Admission to Trading

Why is this Company Description being produced?

This Company Description has been prepared and published by Lifeline SPAC I for the purposes of applying for the Listing as described above in "*Key Information on the Securities – Where will the securities be traded?*"

The Combined Company will be named Canatu Oyj in Finnish and Canatu Plc in English. The Combined Company's headquarters will be located in Vantaa, Finland, and it will have approximately 127 employees operating globally at five locations in five countries: Finland, United States, Japan, Taiwan and Vietnam.

On 5 July 2024, Lifeline SPAC I and Canatu announced the contemplated business combination of the two companies through a share exchange. Following the contemplated Transaction, the Combined Company will continue the business operations of Canatu as a listed company on the First North marketplace, strengthened by the added cash balance of Lifeline SPAC I and broad experience of Lifeline SPAC I's Board of Directors, Management Team and Sponsor Committee in financing and developing growth companies in the technology sector through work in the Board of Directors or possibly through other ways to be agreed with Canatu.

Lifeline SPAC I's goal is to acquire an unlisted tech-enabled company with high growth potential. After examining a large pool of potential opportunities, Lifeline SPAC I has concluded that Canatu materially conforms to Lifeline SPAC I's investment criteria and has selected Canatu as the target company in accordance with its investment process.

The Transaction and the Listing will support Canatu's strategy to position itself as a manufacturer of advanced CNTs for processes and products that transform industries, such as the manufacturing process of chips produced with EUV technology, autonomous vehicle applications and advanced diagnostic point-of-care (POC) testing applications. There will be no proceeds from the issuance of the Consideration Shares to the Combined Company.

Carnegie Investment Bank AB, Finland Branch ("**Carnegie**") and Danske Bank A/S, Finland Branch ("**Danske**") (Carnegie and Danske jointly the "**Joint Financial Advisors**") are acting as Joint Financial Advisors of Lifeline SPAC I, for which they will receive remuneration based on the success of Lifeline SPAC I's initial public offering in October 2021. Carnegie and Danske have provided to Lifeline SPAC I, and may in the future provide to the Combined Company, various banking, financial, investment and commercial services as well as other services in the ordinary course of business.

The total costs for Lifeline SPAC I and Canatu arising in connection with the Transaction, mostly consisting of expenses related to advisory services provided by the Joint Financial Advisors, financial reporting, legal matters and listing to First North marketplace, are expected to amount to approximately EUR 3,600 thousand, approximately EUR 550 thousand of which are Lifeline SPAC I's transaction costs, approximately EUR 750 thousand of which are Canatu's transaction costs and approximately EUR 2,300 thousand of which are costs related to the Listing. The total maximum of EUR 1.5 million in remuneration for the Joint Financial Advisors agreed in connection with Lifeline SPAC I's initial public offering in October 2021 is included in the costs related to the Listing. The estimated transfer tax to be paid in connection with the completion of the Transaction is EUR 3,269 thousand (excluding the additional purchase price).

Under which conditions and timetable can I invest in this security?

The Board of Directors of Lifeline SPAC I has on 2 August 2024 proposed that the Extraordinary General Meeting of Lifeline SPAC I, convened to be held on 23 August 2024, would resolve upon the Transaction. The completion of the Transaction is subject to, among other things, approval by the shareholders of Lifeline SPAC I and fulfilment or waiver of the conditions precedent in the share exchange agreement.

The planned date for the Listing is 17 September 2024. The date for the Listing is subject to change and may be an earlier or later date. Lifeline SPAC I intends to apply for the listing of the Combined Company's series A shares to public trading on the First North marketplace. Trading in the shares is expected to commence on the First North marketplace on the Listing date or as soon as reasonably possible thereafter.

RISK FACTORS

An investment in the Combined Company involves risks, which may be significant. The following describes the risks relating to the Transaction, as well as the risks relating to the Combined Company and its business and shares as of the date hereof. Many of the risks related to the Combined Company are inherent to the Combined Company's business and typical in the Combined Company's industry. Shareholders are advised to carefully review and consider the information contained in this Company Description, and in particular, the risk factors described below. More information regarding the Combined Company and the reasons and benefits of the Transaction are presented in sections "Information on the Combined Company" and "The Transaction and the Transaction Agreement".

Unless a risk factor specifically refers to the Transaction or business operations planned in conjunction with it, the risks presented describe the effects of their materialisation on the Combined Company through describing Lifeline SPAC I's and Canatu's existing business operations prior to the Transaction. Prior to the completion of the Transaction, materialisation of the risks presented herein could also have the effect described in the risk factor on Lifeline SPAC I or Canatu, or the prices of their respective shares, on a stand-alone basis.

The description of risk factors below is based on information available, and estimates made on the date of this Company Description and, therefore, is not necessarily exhaustive. Some of these factors are potential events that may or may not materialise, and as such neither Lifeline SPAC I nor Canatu is able to present an estimate of the probability of such events materialising or failing to materialise. Should one or more of the risk factors described in this Company Description materialise, either individually, cumulatively or together with other circumstances, this could have a material adverse effect on the Combined Company's business, financial position, results of operations, future prospects and share price.

The risk factors presented in this Company Description have been divided into six risk categories based on their nature. These categories are:

- *Risks Related to Macroeconomic Developments and the Combined Company's Operating Environment;*
- *Risks Related to the Combined Company's Business;*
- *Risks Related to the Transaction;*
- *Risks Related to the Financial Position and Financing of the Combined Company;*
- *Risks Related to the Shares; and*
- *Risks Related to the Listing and Trading on the First North Marketplace*.

Within each category, the risk factor presented first is estimated to be the most material based on an overall evaluation. In each category, the order in which the risk factors are presented after the first risk factor is not intended to reflect relative probability or the potential impact of the materialisation of such risks. The order of risk categories, when compared to risk factors in another risk category, does not in any way represent any evaluation of the materiality of the risk factors within that category.

Certain factors related to the Combined Company's business that should be considered before making an investment in the Combined Company have been explained alongside other matters in sections "Information on the Combined Company", "Information on Lifeline SPAC I" and "Information on Canatu".

This section contains forward-looking statements. These statements are not guarantees of the Combined Company's financial performance. The Combined Company's actual results of operations or financial position may differ materially from the results of operations or financial position contained in or implied by the forward-looking statements. This may be due to several factors, which are described, among other things, in section "Certain Matters – Forward-looking Statements".

Risks Related to Macroeconomic Developments and the Combined Company's Operating Environment

The semiconductor industry, particularly the extreme ultraviolet lithography sector, is concentrated in certain countries

A significant portion of the global semiconductor supply chain, including key components and raw materials, as well as a major chip manufacturer, are located in Taiwan. Especially within the extreme ultraviolet lithography ("**EUV**") sector, a significant part of the operations is concentrated in Taiwan. The country is crucial for the production and development of semiconductors, making the Combined Company's operations highly sensitive to its political, economic, and social environment.

Taiwan's unique international political status and its complex relationship with the People's Republic of China introduce a layer of geopolitical risks. Any escalation in tensions or changes in the political landscape could disrupt the supply chain of the semiconductor industry or adversely affect the Combined Company's ability to operate as a supplier to the semiconductor industry, which could have a material adverse effect on the Combined Company's business, financial position and results of operations. The semiconductor industry generally relies on a limited number of chip manufacturers whose operations tend to be concentrated in Taiwan and other parts of East Asia, which also makes the Combined Company exposed to adverse developments in these regions' economic and political conditions, particularly to the extent that such developments create an unfavourable business environment that significantly affects the Combined Company's and its customers' operations. Although the governments of certain countries, including the United States, have taken actions to make their countries more attractive for chip manufacturing operations, there can be no assurance that the current geographic concentration of chip manufacturing would be meaningfully changed in the near term or at all.

Interstate conflicts may also impact the Combined Company's business. For example, the Combined Company has a sales office in Taiwan. Any deterioration in the relationship between Taiwan and China, changes in Taiwanese government policies and other destabilising factors affecting Taiwan's political, economic or social environment could, for example, adversely impact the Combined Company's ability to service its customers in Taiwan or weaken the demand for semiconductor manufacturing equipment. Such developments, if realised, could have a material adverse effect on the Combined Company's business, financial position, results of operations, future prospects and share price.

The semiconductor industry is cyclical, and the Combined Company may be adversely affected by any downturn within this industry

The semiconductor industry generated 82 per cent (EUR 11,146 thousand) of Canatu's net turnover in 2023, and the Combined Company will also generate a significant part of its revenue from the semiconductor industry. As a supplier of carbon nanotube ("**CNT**") products and reactors for producing CNT to the global semiconductor industry, the Combined Company is subject to the industry's business cycles. The semiconductor industry has historically been cyclical, and the timing, duration and volatility of these cycles are difficult to predict and may have significant adverse effects to the Combined Company's operations and its customers. The demand of the Combined Company's CNT reactors and CNT membranes depends in large part on the level of capital expenditures by semiconductor and chip manufacturers, while such capital expenditures depend upon a range of competitive and market factors, including the overall state of the global economy, current and anticipated market demand for semiconductors and for products utilising semiconductors, semiconductor prices and production costs. Such expenditures may also be affected by changes in inventory levels, trends in the industrial equipment market, including smartphone, computing, artificial intelligence and cloud computing, as well as general economic conditions and access to capital.

During periods of rapid growth or decline in demand for the Combined Company's products and services, the Combined Company faces significant challenges in maintaining adequate financial and business controls, management processes, information systems, and procedures for training, assimilating, and managing its workforce, and in appropriately sizing its supply chain infrastructure and facilities, work force, and other components of its business on a timely basis. If the Combined Company does not adequately meet these challenges during periods of increasing or declining demand, its gross margins as well as revenue and results of operations may be negatively impacted.

It is also possible that currently anticipated take-up of artificial intelligence, which materially drives the current demand for chips made with EUV technology, is delayed or faces unexpected challenges and, as a result, investments into the EUV technology are not realised in the anticipated timeframe or scale. Decreases or postponements in equipment acquisitions by the Combined Company's customers could significantly and adversely impact its business performance, financial position, and operational outcomes. Cyclicality may also be increased by the geopolitical situation if countries increase semiconductor capacity for higher levels of self-sufficiency, thereby creating global overcapacity. In addition, the current global economic environment, including inflation and high interest rates, contribute to this uncertainty. The Combined Company's ability to remain profitable in an industry downturn will depend substantially on whether it is able to lower its costs. If sales decrease significantly as a result of an industry downturn and the Combined Company is unable to adjust its costs over the same period, its net income may decline significantly, or it may suffer losses. In particular, the Combined Company has recently made significant investments in its organisation in terms of employees, infrastructure, and manufacturing capacity, and a downturn in the semiconductor industry poses a risk that the Combined Company may not be able to adjust these costs efficiently.

The realisation of the above-mentioned risks may have a material adverse effect on the Combined Company's business, financial position, results of operations, future prospects and share price.

The semiconductor and automotive industries may not widely adopt the Combined Company's CNT products, which would result in the Combined Company generating materially less revenue than expected

For the semiconductor industry, the Combined Company develops and manufactures, among others, (i) CNT-based EUV photomask inspection consumables, i.e. mainly nanoparticle filters; (ii) CNT reactors and related non-discretionary (required in sales agreements) consumables for CNT membrane manufacturing for EUV pellicles, and (iii) CNT membranes/technology, which are a key part of CNT-based EUV pellicles. EUV pellicles are particle filters that are used in EUV lithography process to protect the photomask from contamination while permitting high EUV light transmission. For the automotive industry, the Combined Company develops and manufactures CNT-based film heaters for LiDAR (light detection and ranging, "**LiDAR**") sensors and cameras. For further information on Canatu's products, see section "*Information on Canatu – Business of Canatu – Canatu's Products*".

However, the anticipated benefits of the Combined Company's CNT membranes and CNT-based film heaters might not be realised, or its CNT reactors may not necessarily be reliable, cost-effective, or for any other reason, acceptable method for producing CNT products. There are several materials available in the developing markets worth some tens of millions of euros for advanced EUV pellicles that can be used as alternatives to composite, and there can be no certainty that CNT-based pellicles would be successful in the markets for advanced pellicles. Canatu's management has estimated that EUV pellicles made from Canatu CNT membranes would enable semiconductor manufacturers to achieve up to 7–15 per cent increase in productivity in EUV lithography process[1]. However, the estimation has not been verified, since the reactors ordered by Canatu's customers are not in production use. The first CNT reactor sales were agreed on in 2023 and they are to be delivered in 2024. Until the date of this Company Description, Canatu's CNT reactors have only been used in its own production facility. Thus, there can be no assurance that the Combined Company's patented floating catalyst chemical vapor deposition (FC-CVD) reactors or Dry Deposition™ process would be deemed a competitive way of producing CNTs. New technologies and processes may enter the market, and the Combined Company may fail to compete with more competitive technologies and processes that could be developed at any time.

The Combined Company is also dependent on the cooperation of industry partners and the broader acceptance of CNT in the semiconductor and automotive industries as the Combined Company's CNT products and CNT reactors are only part of the chip manufacturing ecosystem and the advanced driver assistance system ("**ADAS**") applications. The novel nature of CNTs means there is a risk that industries may opt for alternative materials or technologies or continue to use materials and technologies already in use. In addition, the anticipated benefits of the Combined Company's CNTs, such as electrical conductivity, light transmission, thermal conductivity, mechanical strength, thermal resistance and chemical stability, may not be realised or validated by the market as estimated or at all.

Further, as the Combined Company licenses its CNT production technology and sells CNT reactors and peripherals to its customers, there is a risk that the CNT products produced by customers may not achieve the above-mentioned anticipated benefits of the CNT in their own production. For example, EUV pellicles require a coating to prevent etching from hydrogen plasma in the extreme EUV environment. However, this coating

[1] Canatu's management's view based on the Market Study (as defined below in section "*Certain Matters – Information from Third-Party Sources*".).

decreases EUV transmission compared to uncoated CNTs. If the EUV pellicles are not coated properly, the benefits of the Combined Company's high EUV-transmission EUV pellicles may be weaker, potentially decreasing productivity in the EUV lithography process, which could have a material adverse effect on the demand for the Combined Company's CNT membranes and reactors. The Combined Company's customers carry out the coating step, and the Combined Company has very little control over its effects.

The Combined Company may also have overestimated the demand for its CNT products in the semiconductor and automotive industries, for example compared to comparable products manufactured in an alternative way. Should the Combined Company's CNT technology and products fail to achieve widespread adoption or if any of the aforementioned factors were to materialise, the Combined Company would generate less revenue from providing CNT products to its customers than expected, leading to a material adverse effect on the business of the Combined Company and, therefore, on the Combined Company's financial position, results of operations, future prospects and share price.

A consolidation development in the semiconductor industry, including among manufacturers and manufacturing equipment suppliers, may have a material adverse effect on the Combined Company

The structure of the semiconductor industry constitutes a risk for the Combined Company's business. Canatu has a few customers in the semiconductor industry, and due to their large size and established position, they exercise significant position in the market with respect to Canatu and may also require possibly restrictive clauses to their agreements with Canatu, such as exclusivity clauses. For example, ASML Holding N.V. ("**ASML**") is the only company in the world that produces and sells EUV lithography systems for chip production, and therefore the Combined Company's sales of CNT membranes are partly linked to ASML's success in selling the EUV lithography equipment as, although ASML is not the Combined Company's customer, the Combined Company's customers will utilise the Combined Company's CNT membranes when they use ASML's EUV lithography equipment or inspection equipment related to the EUV lithography process. In addition, there has been, and there may continue to be, consolidation within the semiconductor industry resulting in fewer potential customers for the Combined Company's products. For example, consolidation of the semiconductor industry could result in potential loss of business from existing customers that are a party to a merger if the combined entity decides to purchase all of its equipment and consumables from one of the Combined Company's competitors. Further industry consolidation could result in additional material adverse effects to the Combined Company including increased pricing pressure, increased customer demands for enhanced or new products, greater sales and promotional costs and the potential for increased oversight from regulatory agencies. Should the Combined Company fail to adapt to the market dynamics within the semiconductor industry or lose significant business to competitors, it could have a material adverse effect on the Combined Company's business, financial position, results of operations, future prospects and share price.

Competition or changes in the competitive environment in the semiconductor and automotive industries may have a material adverse effect on the Combined Company

The Combined Company operates as a product and reactor supplier for semiconductor industry and as product supplier for automotive industry. Both industries are highly competitive. The Combined Company's competitors include certain large global companies as well as several smaller and mid-sized global and local companies. The Combined Company's competitors include, for example, CHASM Advanced Materials, Inc., Geomatec Co. Ltd., Oribay Group Automotive, Mitsui Chemicals Inc. and LINTEC Corporation. In the Combined Company's industries, competitive advantage is based on numerous factors, such as product characteristics and quality, pricing, product design, product portfolio as well as delivery time and reliability. There can be no assurance that the estimates of the advantages of the Combined Company's technology and products in comparison to its competitors prove to be correct. In addition, while Lifeline SPAC I has conducted a due diligence review of Canatu's technology and market, it is even likely that the review has not revealed all material information regarding Canatu's competitive positioning and its competitive advantages, *inter alia*, because there was no access to the competitors' information in the due diligence review.

The Combined Company may be unable to compete successfully due to a number of factors, such as failure to meet the needs of its customers or end customers, failure to successfully develop new products and upgrades, failure to react to technological trends, insufficient quality or reliability, delays in product development, delivery or failure to price its products correctly compared to the competitors' products. In addition, competition may intensify if new companies enter the market or if existing competitors enhance their efficiency in producing high-quality products. If the Combined Company's competitors react faster or more efficiently to market changes or develop and commercialise products before or more successfully than the Combined Company, this could result in a reduction in demand for the Combined Company's products.

Furthermore, the Combined Company's products face competition from existing materials and solutions (such as composite solutions in the semiconductor industry or metal wire solutions in the automotive industry) as well as alternative technological solutions (such as those based on graphene) and manufacturing processes, such as wet dispersion used for the production of CNTs.

If the Combined Company is unable to compete successfully in the future, increased competition may result in price reductions, reduced revenue or profitability and loss of market share. The loss of customers and failure to secure orders, lower sales or deteriorating profitability due to increased competition may have a material adverse effect on the Combined Company's business, financial position, results of operations, future prospects and share price.

If the Combined Company fails to keep pace with changing technologies or is unable to anticipate or meet customer preferences, its business and results of operations may be materially adversely affected

All of the Combined Company's markets are characterised by rapidly changing customer requirements and evolving technologies and industry standards. To achieve its goals, the Combined Company needs to enhance its existing products and develop and market new products that keep pace with continuing changes in industry standards, requirements, and customer preferences.

As the Combined Company's technology and products have become increasingly advanced, the cost and time to develop new products and technologies have increased, and this trend is expected to continue. The Combined Company's success is affected by the success of its R&D programs and the cost-effective, timely and successful completion of product development and design relative to competitors. The Combined Company's business will suffer if its technologies are not as effective as, or are more costly than, those developed by the Combined Company's competitors. The Combined Company's business will also decline if its customers do not adopt technologies and products that the Combined Company develops or if they adopt technological solutions based on previous technology, such as wet dispersion, or continue to use solutions based on other materials, such as composite in the semiconductor industry or metal wire in automotive industry. Furthermore, due to the highly complex nature and costs of the Combined Company's products, including newer technologies, the Combined Company's customers may also purchase other existing technology systems rather than new advanced technological products, or they may delay their investment in new technology products to the extent that such investment is not economical or required, given their product cycles.

In particular, the Combined Company's CNT membrane customers have multiple requirements regarding the Combined Company's floating catalyst chemical vapor deposition (FC-CVD) reactors, including the absence of particle contamination in the CNT membranes and the need for consistent operational uptime of the FC-CVD reactors as the restart time for the reactors and the whole production process as well as the resulting costs would be considerable. Additionally, the Combined Company needs to establish and maintain a responsive organisation capable of providing essential maintenance and other services. Failure to provide products that meet the Combined Company's customers' preferences or failure to appropriately provide maintenance and other services to its customers could have a material adverse effect on the Combined Company's customer relationships and, therefore, on its business.

If the Combined Company is unable to introduce new products or novel technologies in a timely manner or new products or technologies are not accepted by customers, the Combined Company's competitors may introduce more attractive products, which could hurt the Combined Company's competitive position. New products might not receive customer acceptance if customer preferences shift to other products, and future success depends in part on the ability to anticipate and respond to these changes. Failure to anticipate and respond in a timely manner to changing customer preferences could lead to, among other things, lower revenue and excess inventory levels, which could have a material adverse effect on the Combined Company's business, financial position, results of operations, future prospects and share price.

Disruptions or limitations in materials, components and manufacturing services may have a material adverse effect on the Combined Company's profitability

The availability of materials, components and manufacturing services used by the Combined Company and its customers and manufacturing partners may have a material adverse effect on the Combined Company's business. In case of disruptions or shortages in materials, components or manufacturing services, the Combined Company is not able to replace the respective suppliers immediately. Furthermore, as such components, materials and manufacturing services must be compatible with the Combined Company's manufacturing processes, onboarding of a new supplier or service provider or the required approval by a customer or otherwise takes time and would thus disrupt the Combined Company's manufacturing and supply processes for a certain period of time. The Combined Company procures certain essential materials, components and manufacturing services, such as ovens and gases from single suppliers. In particular, the quality and purity of gases is critical for the continuity of the Combined Company's operations. Therefore, disruptions in the supply chain of ovens and gases could lead to significant operation delays. Additionally, a very brief disruption in the supply of electricity could halt operations entirely, with considerable restart time for the reactors and production process. In addition, for example, in the automotive industry, the prices of film heaters are typically fixed. Rising inflation could increase the production costs of film heaters, resulting in lower than estimated gross margins for the Combined Company's film heaters as the Combined Company would be unable to increase their prices to offset increasing component prices.

Further, the prices and availability of components of the Combined Company's products depend on factors beyond the Combined Company's and its customers' and manufacturing partners' control, such as global supply chains, production capacity, disruptions in infrastructure, regulation, export restrictions, political stability, level of import duties, demand among other users and currency exchange rates. The shortage of semiconductor components or other components or raw materials needed by the Combined Company's customers and manufacturing partners in their production may cause disruptions in the Combined Company's customers' production, which may postpone or decrease demand for the Combined Company's products.

The Combined Company's ability to adjust its product prices in response to increased costs for materials and components is limited by contractual agreements with customers and prevailing market conditions. Delays or inability to negotiate price increases could adversely affect the Combined Company's profitability. Furthermore, attempts to increase prices may negatively impact the Combined Company's competitive position. The materialisation of any of these factors may have a material adverse effect on the business operations, strategy and profitability of the Combined Company and, therefore, on its financial position, results of operations, future prospects and share price.

The Combined Company's sales in the semiconductor and automotive industries are partly dependent on the demand for consumer electronic products and automobiles, which can experience significant volatility

The demand for semiconductors is partly dependent on sales of automobiles and consumer electronic products, such as smartphones, laptops, tablets and wearable devices. Additionally, the developments and volatility in the automotive industry may have an adverse impact on the Combined Company's business. In the automotive industry, semiconductors are used especially in autonomous vehicles, the demand for which is central to the Combined Company's strategy. The Combined Company intends to increase its presence in the automotive industry through the production of film heaters for ADAS systems and other CNT products.

Sales of vehicles in the automotive industry tend to be cyclical in many markets, which may expose the Combined Company to volatility. In addition, the lengthy R&D and technology adoption processes in the automotive industry add to the unpredictability. The Combined Company also cannot predict the duration or direction of current global trends or their sustained impact on consumer demand of vehicles, and particularly EVs and autonomous vehicles. For example, rising interest rates may lead to consumers increasingly decreasing spending, which may harm demand, business and operating results of the Combined Company.

The prospects of the Combined Company's products in the automotive industry and the Combined Company's growth in the automotive industry also rely to an extent on the large-scale adoption and breakthrough of smart vehicles and autonomous driving. Consumer hesitancy towards these new technologies, coupled with potential negative publicity from autonomous vehicle incidents, could slow down market acceptance. In addition, there is no certainty that electrification of the cars will occur in the society at the pace that is currently anticipated. A key market driver for the Combined Company's products is automotive electrification, comprising of a shift towards electric vehicles, advanced driver-assistance systems (ADAS) applications and the ability of vehicles to communicate with each other and with external systems. If no adoption or breakthroughs are achieved in the technological development required for safe autonomous driving or it does not become widely popular among consumers, the Combined Company's products might not experience the demand that the Combined Company expects. Furthermore, the development and adoption of ADAS technology, for which the Combined Company produces film heaters, face public safety concerns. Accidents involving ADAS features could lead to decreased demand for the Combined Company's products. The safety of ADAS technology depends in part on user interaction, and users, as well as other drivers on the roadways, may not be accustomed to using or adapting to such technologies. Furthermore, ADAS technology is subject to considerable regulatory uncertainty as the laws evolve to catch up with the rapidly evolving nature of the technology itself, all of which is beyond the Combined Company's control.

The Combined Company produces film heaters for, inter alia, ADAS LiDAR sensors. While LiDAR is anticipated to be competitive in the sensor market for autonomous vehicles, its market adoption remains uncertain and competing technologies exist. If market adoption of LiDAR does not continue to develop, or develops more slowly than the Combined Company expects, it could have a material adverse effect on the Combined Company's business. It is possible that other sensing modalities, or a new disruptive modality based on new or existing technology, including a combination of technology, will achieve acceptance or leadership in the automotive industry.

Factors that could affect the levels of demand for consumer electronic products and automobiles include consumer confidence, access to credit, volatility in fuel and other energy costs, conditions in the residential real estate and mortgage markets, labour and healthcare costs, and other macroeconomic factors affecting consumer spending behaviour. The emergence of new or competing technologies may also affect demand for consumer electronic products.

Sudden changes in demand could lead to shortages of components and materials, manufacturing delays, or order cancellations, affecting the Combined Company's operational efficiency and profitability. Conversely, overestimation of market share growth by the Combined Company's customers could result in cancellations of orders in backlog, rescheduling of customer deliveries, obsolete inventory, and liabilities to its suppliers for products no longer needed. The materialisation of any of these factors and developments could have a material adverse effect on the business operations, strategy and profitability of the Combined Company and, therefore, on its financial position, results of operations, future prospects and share price.

Highly sensitive point-of-care testing is not yet established and it may never emerge as a business, which could have a material adverse effect on the Combined Company's growth strategy

Currently, the point-of-care testing industry is in its emerging stage, and the Combined Company envisions the industry as a potential future growth driver. Despite its potential, the point-of-care testing may never emerge as a business and as at the date of this Company Description, Canatu has not yet generated any revenue in the medical diagnostics industry. In addition, the point-of-care testing industry is characterised by extensive product development cycles and stringent regulatory requirements, particularly from the U.S. Food and Drug Administration (FDA), which could delay or prevent the Combined Company's market entry. Achieving necessary regulatory approvals can be a lengthy and uncertain process. Delays or failures in obtaining these approvals could result in significant investments without the assurance of reaching projected milestones or market entry.

Furthermore, the point-of-care testing industry is supported by a strong trend of point-of-care electrochemical sensors that would possibly enable rapid on-site detection of various biomarkers. However, the adoption of point-of-care testing over traditional laboratory methods is not guaranteed or even probable. If this shift does not materialise sufficiently, there may not be demand for the Combined Company's products, which would adversely impact its growth strategy. Even if point-of-care testing was widely adopted, there is no guarantee that the Combined Company's electrochemical sensors would provide the value-add anticipated by the Combined Company, or that the Combined Company's products would fulfil the stringent regulatory requirements of such applications.

If the point-of-care testing industry fails to develop as anticipated or does not emerge as a business, it may have a material adverse effect on the Combined Company's ability to pursue its growth strategy effectively, which could have a material adverse effect on the Combined Company's business, financial position, results of operations, future prospects and share price.

Uncertain global economic, political and financial market conditions, economic sanctions in the Combined Company's operating countries, geopolitical conditions resulting from Russia's war of aggression against Ukraine and adverse changes in the relationship between the United States and China as well as trade policies could have a material adverse effect on the Combined Company

The Combined Company's operations are significantly influenced by the global market environment. Changes in the market conditions caused by global or local economic recession may have material adverse effects on the Combined Company's operations. Various factors – such as concern over geopolitical questions and changes in the geopolitical situation (for example acts of war), increased barriers to trade, inflation, availability and costs – may contribute to or prolong the large-scale recession. For example, Russia's war of aggression against Ukraine has led to great global uncertainty, significant increase in energy costs, and volatility in both global and local markets as well as deterioration in the general security situation. Such conditions have the potential to trigger a widespread financial downturn, impacting the Combined Company's market value. The global economic impact of the conflict, alongside other geopolitical and economic uncertainties, may influence the price of the series A shares in the Combined Company (the "**Listing Shares**") regardless of whether the Combined Company meets or exceeds market expectations, which may have a material adverse effect on the Listing Shares' future share price development. Further, there is a risk that a strong and/or long-term decline in the general economic climate may worsen the Combined Company's chances of obtaining financing in the future under conditions that are favourable for the Combined Company, and this may affect the Combined Company's ability to finance its necessary functions in the future.

In addition, the Combined Company's international presence with a subsidiary in the United States and sales offices in the United States, Japan and Taiwan, also covering the Greater China region, exposes it to the risks associated with deteriorating relationships between the United States and China. Sustained uncertainty about, or worsening of, current global economic conditions and further escalation of tensions between the United States and China could result in a global economic slowdown and long-term changes to global trade, including retaliatory trade restrictions that further adversely affect the global semiconductor industry. The Chinese economic, legal and political landscape also differs from many developed countries in many respects, including the level of government involvement and regulation, control of foreign exchange and allocation of resources, uncertainty regarding the enforceability and scope of protection for intellectual property rights, a relatively uncertain legal system, and instability related to economic, political and social reform. The laws, regulations and legal requirements in China are also subject to frequent changes. Any actions and policies adopted by the Chinese government, particularly with regard to intellectual property rights and existing cloud-based and Internet restrictions for non-Chinese businesses, or any prolonged slowdown in China's economy could have a material adverse effect on the Combined Company's business.

Materialisation of any of the above risks may have a material adverse effect on the Combined Company's business, financial position, results of operations, future prospects and share price.

A pandemic or epidemic may have an adverse impact on the Combined Company's business operations

Pandemics, such as the recent COVID-19 pandemic, may have a significant impact on the global economy and financial markets. The COVID-19 pandemic caused significant uncertainty in the global economy and financial markets. The economic uncertainty undermined the economic activity of consumers and businesses and the overall confidence in the economy. Such pandemics or epidemics may affect the Combined Company's business both directly and indirectly as a result of, for example, people falling ill and restrictions and other measures adopted due to the epidemic or pandemic to prevent its spread. For example, during the COVID-19 pandemic, governments of several countries were forced to restrict the movement of people by closing areas and towns and quarantining people to prevent the spread of COVID-19. Possible restrictive measures caused by such epidemics or pandemics and overall uncertainty in the global economy and financial markets may affect, in addition to the Combined Company, also the activities of its suppliers and customers. Restrictions and measures may, for example, increase the prices of materials used by the Combined Company or its contracting parties.

Although the Combined Company's customers do not include consumers, the Combined Company's business is heavily linked to consumer and business confidence in the economy. An epidemic or pandemic may have a significant impact on the financial situation and financing of the Combined Company and the Combined Company's customers, which may cause, for example, cancellations of already agreed orders. A decline in the economic position of customers may also lead to an increase in credit losses by the Combined Company as trade receivables are impaired. An epidemic or pandemic may also affect the economic activity and investment decision-making of the Combined Company's customers and the demand for the Combined Company's products. Reduced demand may negatively affect the Combined Company's future revenue, cash flow, liquidity and, for example, how the Combined Company is able to meet the covenants of its financing agreements.

The effects of any future epidemics or pandemics (including the timing, duration and the extent of the effects) on global economy, the economies of countries where the Combined Company or its suppliers or customers operate, the Combined Company's business and the Combined Company's suppliers and customers are difficult to predict because of the rapidly changing nature and irregularity. If any of the above-mentioned risks materialise, it could have a material adverse effect on the Combined Company's business, financial position, results of operations, future prospects and share price.

CNT is a relatively new material and there is not conclusive evidence of its potential long-term health and environmental effects

The long-term health and environmental impacts of nanotechnology and new CNT materials are subject to continuous research. It cannot be ruled out that CNTs could pose health risks if inhaled or ingested or that they are hazardous to the environment. Potential effects could range from respiratory issues to more systemic health problems, depending on the material's properties and exposure levels. Long-term studies are necessary to fully understand these effects, and as of now, conclusive evidence regarding the long-term health impacts of CNTs is lacking. Therefore, if future research into the effects of nanomaterials in general, and CNTs in particular, on health and environmental issues, may have a material adverse effect on the Combined Company's business, depending on the results. In addition, there is a risk that regulatory authorities may impose restrictions or requirements on CNT in general or on CNTs of a certain size or shape due to verifiable or suspected risks to human health or the environment. Such restrictions could directly affect the Combined Company if the CNTs it manufactures are the subject of such restrictions or requirements. Any of the above risks, if materialised, could have a material adverse effect on the Combined Company's business. financial position, results of operations, future prospects and share price.

Risks Related to the Combined Company's Business

If the Combined Company cannot maintain its existing customers and partnerships, and/or enter into new partnerships or similar business arrangements, the Combined Company's business could be adversely affected and the customers are often also considerably larger than the Combined Company and therefore have a stronger negotiating position

The Combined Company's business model relies significantly on a concentrated group of customers and key partners, which are integral to its current operations and future growth. Historically, a substantial portion of Canatu's net turnover has been generated from orders by a limited number of customers, since in 2023, Canatu's largest customer accounted for approximately 44 per cent, its two largest customers for approximately 74 per cent and its five largest customers for approximately 90 per cent of its net turnover, and this trend is expected to persist. The concentration of sales among a few key entities exposes the Combined Company to heightened risks, including the potential loss of significant revenue sources if any major customer or partner relationship deteriorates. For further information on customers, see section "*Information on Canatu – Business of Canatu – Customers, Sales and Marketing*".

Maintaining existing relationships and establishing new ones is crucial for the Combined Company's operations and future growth. However, the Combined Company's existing partnerships with customers and partners may be terminated and the Combined Company may not be able to enter into new partnerships or find new customers for its products. The customers are often also considerably larger than the Combined Company and, therefore, often have a stronger negotiating position, potentially leading to less favourable terms in business agreements. In addition, Canatu has relatively few long-term binding agreements on the sales of its products, because its sales are predominantly based on orders and order confirmations, which might be smaller in the future or might not be received at all. For example, Canatu does not have a written framework agreement with its largest customer and the customer relationship is only based on purchase orders that are in force until January 2025. Since Canatu and its largest customer have not concluded any written framework agreement, they have not agreed upon, for example, intellectual property rights and liability aspects and the terms of the business relationship may be subject to change or termination without notice. In addition, since the Combined Company's business model involves licensing its CNT production technology and this requires customers to achieve a certain level of proficiency with it, onboarding of a new customer requires considerable investments and significant amount of time. This could have a material adverse effect on the customer's production start-up and volume, which could have a material adverse effect on Canatu's royalties and consumable fees to which Canatu may be entitled to under the agreements.

Furthermore, the loss of key manufacturing partners and suppliers could disrupt the Combined Company's production capabilities and delay product delivery to customers, which could have a material adverse effect on its reputation and relationships. Canatu does not have written framework agreements regulating its business relationships in place with some of its key suppliers and has made purchases based on the suppliers' quotations or Canatu's price list agreed with the supplier, which creates uncertainty over its contractual relations with is suppliers and may have a material adverse effect on the Combined Company's production capabilities and delay product delivery to its customers.

If the Combined Company fails to maintain its existing customers and partnerships, and/or enter into new partnerships or similar business arrangements or if agreements with its manufacturers are terminated, this could have a material adverse effect on the Combined Company's operations and future growth. Additionally, unfavourable terms in new or renegotiated agreements could further strain the Combined Company's profitability and financial position. Collectively, these factors could have a material adverse effect on the Combined Company's business, financial position, results of operations, future prospects and share price.

The Combined Company might fail to implement its growth strategy, or the growth strategy might not be the best available strategy for the Combined Company's success

The semiconductor industry and its EUV lithography and EUV photomask inspection applications within it are at the centre of the Combined Company's strategy in the short- and mid-term. The Combined Company also aims to grow its business and offering in the automotive industry, as well as establish products in the medical diagnostics industry. For further information on the Combined Company's strategy, see section "*Information on Canatu – Business of Canatu – Business Strategy*". In the financial year 2023, the automotive industry accounted for 18 per cent (EUR 2,445 thousand) of Canatu's net turnover. While the Combined Company's products for the semiconductor and automotive industries are already in production, those for the medical diagnostic industry are still in development phase. Provided that the pre-conditions set for the investments are met, the Combined Company plans to allocate a portion of EUR 105,584,211.36[2] from Lifeline SPAC I's escrow account towards potential investments to possibly further accelerate the value creation in the current key focus areas. Lifeline SPAC I has, together with Canatu's management, preliminarily identified several possible investment opportunities within semiconductor, automotive and medical diagnostic industries. While investment decisions will be subject to rigorous analysis of investments' shareholder value creation potential and evaluation of partner collaboration potential, the Combined Company may not find suitable investment opportunities and as a result the additional potential brought by the proceeds raised in Lifeline SPAC I's initial public offering on 14 October 2021 (the "**Initial Listing**") cannot be utilised in full or at all. In addition, the Combined Company needs customer support for the contemplated future investments, as technology-related investments are typically very costly. The necessity for customer support for these investments introduces additional complexity, as suitable customers may be difficult to locate and may have demands that complicate or delay processes. For further information on potential future investments, see "*Information on Canatu – Business of Canatu – Business Strategy – Investment strategy*".

The execution of the growth strategy requires managing growth and operations across all aspects of the Combined Company's business. Such managing is associated with increased headcount, expansion of international operations, investments, execution on new lines of business and implementations of appropriate systems and controls to grow the business. The Combined Company's growth requires significant time and attention from its management team, and placed strains on its operational systems and processes, financial systems and internal controls and other aspects of its business.

The Combined Company expects to continue to increase headcount and to hire more specialised personnel in the future as it grows its business. The Combined Company may also continue to expand to new international jurisdictions as part of its growth strategy, which will lead to increased dispersion of its employees. Moreover, the Combined Company expects that it will need to hire additional accounting, finance, legal, compliance and other personnel or purchase services related to these functions in connection with it becoming, and its efforts to comply with the requirements of being, a listed company. Once listed, the Combined Company's management team and other personnel will need to devote a substantial amount of time towards maintaining compliance with these requirements. A risk associated with maintaining this rate of growth, for example, is that the Combined Company may face challenges integrating, developing and motivating its rapidly growing and increasingly dispersed employee base.

To manage the growth of its operations, the Combined Company will also need to continue to improve its operational and financial systems and procedures and controls to effectively manage the increased complexity. If the Combined Company is unable to manage its growth properly, it may experience future weaknesses in its internal controls, which the Combined Company may not successfully remediate on a timely basis or at all. In addition, if the Combined Company is unable to scale and improve its product portfolio as well as its transaction processing, the consequences could include delays in shipment of product, degradation in levels

[2] Calculated based on the situation as at 30 June 2024 and before, for example, taxes and certain transaction costs.

of customer support, lost sales and increased inventory. These difficulties could harm or limit the Combined Company's ability to expand, which could have a material adverse effect on the Combined Company's business, financial position, results of operations, future prospects and share price.

The Combined Company's intellectual property rights and proprietary rights may not adequately protect its products, and failure to protect and enforce the intellectual property rights or an infringement of others' intellectual property rights may have a material adverse effect on the Combined Company's business

Intellectual property rights are essential to the Combined Company's business, and the Combined Company's intellectual property assets include 130 patents and over 50 patents pending across 38 distinct families. The Combined Company uses patents, trade secrets, trademarks and technological innovations in its business operations and relies on patent, trademark, and other intellectual property rights protection, non-disclosure agreements and certain other agreements and laws to protect such intellectual property. In particular, the semiconductor industry in which the Combined Company operates as well as the CNT technology in general is heavily patented. For further information on the Combined Company's patents, see section "*Information on Canatu – Business of Canatu – Intellectual Property Rights*". In addition, the Combined Company and its employees have valuable know-how related to, for example, manufacturing methods of CNT and its applications. The Combined Company's patents and other IPR cover, among other things, main parts of its floating catalyst chemical vapor deposition (FC-CVD) reactors and proprietary Dry Deposition methodology.

There can be no assurance that the Combined Company's intellectual property rights would cover the main parts of its production processes or use cases, that intellectual property rights would give the Combined Company a competitive advantage or that the measures the Combined Company takes would effectively deter competitors from the improper use of its intellectual property, in particular with regard to trade secrets and know-how, as their appropriation by another company may be difficult to prove. In particular, in certain jurisdictions, such as in China, the protection of intellectual property rights is not as developed as for example in western countries. Moreover, part of the Combined Company's intellectual property rights have not been patented and are, thus, treated as trade secrets in its operations. In addition to manufacturing and selling CNT applications to end customers, the Combined Company manufactures and sells CNT reactors for the production of CNT membranes for EUV pellicles. This inherently requires disclosing certain intellectual property rights to customers. Some of these licenses are broad, meaning that the licenses are irrevocable, worldwide, perpetual, royalty-free and non-exclusive licenses. While these licenses and disclosures are necessary for customers to utilise the Combined Company's technology and reactors, and standard in the Combined Company's industries, they contain risks regarding intellectual property rights management and pose a risk of reverse-engineering and potential intellectual property rights infringement. Furthermore, third parties may require, for example, to assert rights in, or ownership of, the Combined Company's intellectual property rights.

The laws regulating intellectual property rights may not sufficiently support the Combined Company's proprietary rights or they may change adversely in the future. The Combined Company's agreements with its customers, partners and employees and others to protect its intellectual property rights may not be sufficient or may be breached or terminated. Patent rights may not be granted or interpreted as the Combined Company has expected. Patent rights will also expire, generally after 20 years after being granted. This may result in key technology becoming widely available which may harm the Combined Company's competitive position. Intellectual property rights and trade secrets are also difficult to enforce in countries where application and enforcement of the laws governing such rights may not have reached the same level compared with other jurisdictions. The Combined Company's products could also infringe on the intellectual property rights of others. The Combined Company operates in industries where activity regarding new patents is high and continuously increasing which may make it more difficult for market participants to protect and enforce their intellectual property rights, and avoid infringing other market participants' intellectual property rights. Also, the industry where the Combined Company operates is prone to litigation. The novel nature of carbon nanotubes, coupled with their emerging mass-manufacturing potential, heightens the risk of litigation as the material becomes more prevalent. Third parties, which often are larger than the Combined Company, may seek to prohibit the use of, or seek restitution or compensation based on the intellectual property rights that are similar to the intellectual property rights the Combined Company owns or uses, or they may also take legal action for alleged infringement of the intellectual property rights or seek to, or bring claims, to invalidate or rescind the Combined Company's intellectual property rights.

Any failure to protect and enforce the Combined Company's intellectual property rights or any legal action taken by third parties due to an alleged infringement of their corresponding rights by the Combined Company may have a material adverse effect on the Combined Company's business, financial position, results of operations, future prospects and share price.

The Combined Company depends on skilled and experienced personnel to operate its business effectively, and if the Combined Company is unable to recruit, hire and retain these employees, its ability to manage and expand its business will be harmed, which would impair the Combined Company's future revenue and profitability

The Combined Company's success largely depends on the skills, experience and efforts of its management and other key employees. The Combined Company operates in an immature, niche business (carbon nanotube technology) where competition of skilled employees is high. The Combined Company's management and key employees are also highly educated, and any loss of them could weaken its expertise and harm its business. As a result of the advanced level and complexity of the Combined Company's CNT technology, qualified engineers capable of working on the Combined Company's CNT technology are scarce and generally not available from other industries or companies. As a result, the Combined Company has to educate and train its employees to work on its systems. While Canatu has been able to use the resource pools provided by Finnish universities in the past, such pools are limited in size and can only provide a certain number of skilled employees. A sudden growth in recruitment needs would compel the Combined Company to extend its efforts to cover the global arena and would generate additional costs and possibly restrict the Combined Company's growth.

In general, the Combined Company's ability to retain its skilled labour force and its success in attracting and hiring new skilled employees will be a critical factor in determining whether it will be successful in the future. In addition, the increasing complexity of the Combined Company's products results in a longer learning curve for new and existing employees and suppliers, leading to an inability to decrease cycle times, and may result in significant additional costs.

The Combined Company may not be able to meet its future hiring needs or retain existing personnel. The Combined Company will face particularly significant challenges and risks in hiring, training, managing and retaining employees with know-how related to design and manufacturing methods of CNT and its applications. Failure to attract and retain personnel, particularly technical and sales and marketing personnel, would materially harm the Combined Company's ability to compete effectively and grow its business, which could have a material adverse effect on the Combined Company's business, financial position, results of operations, future prospects and share price.

The Combined Company's ability to be successful following the Transaction will depend upon the efforts of the Combined Company's Board of Directors and management team and the loss of such persons could negatively impact the operations and profitability of Combined Company's business

The Combined Company's ability to be successful following the Transaction will materially depend on the efforts of the Combined Company's Board of Directors and management team. Lifeline SPAC I cannot assure that the Combined Company's Board of Directors and management team will be effective or successful or remain within the service of the Combined Company. In addition to the other challenges they will face, such individuals may be unfamiliar with the requirements of operating a company listed on the First North marketplace, which could cause the Combined Company to have to expend time and resources helping them become familiar with such requirements.

It is estimated that, pursuant to the Transaction Agreement, Lifeline SPAC I's shareholders will own approximately 32 per cent of the Combined Company's series A shares (assuming no redemptions), while the members of Lifeline SPAC I's Management Team will not be part of the Combined Company's management team. Accordingly, the future performance of the Combined Company will depend upon the quality of the post-Transaction Board of Directors and management team of the Combined Company and losing them or them proving to be inefficient or unsuccessful could have a material adverse effect on the Combined Company's business, financial position, results of operations, future prospects and share price.

The Combined Company may incur losses over the next several years and may not achieve or sustain profitability in the future

Pursuant to its investment strategy, Lifeline SPAC I has chosen a growth company as its target. Canatu has a history of operating losses: its loss for the 2023 financial year was EUR -1,318 thousand[3] (EUR -2,974 thousand for the 2022 financial year).

There can be no certainty that the Combined Company can become profitable and, there can be no assurance that the Combined Company will be able to continue its business in accordance with its strategy or to obtain the additional financing it may require. Even if the Combined Company could become profitable, there is no guarantee that it would be able to maintain profitability in the future. If the Combined Company does not become profitable, this could have a material adverse effect on its business operations, financial position, results of operation, future prospects and share price.

As a result, investors who have invested in Lifeline SPAC I and who have not required the redemption of their series A shares in Lifeline SPAC I, subject to Lifeline SPAC I's EGM approving the Transaction, may also lose all or part of their investment due to possibly unprofitable operations of the Combined Company following the Transaction.

The Combined Company's actual results of operations may differ materially from the forecasts or long-term financial targets included in this Company Description and investors should not place reliance on the forecasts or financial targets or view them as guarantees of future performance

This Company Description sets forth Canatu's forecast for the 2024 financial year related to net turnover as well as the Combined Company's financial targets related to revenue and EBIT margin set for 2027. As the forecast and the financial targets constitute forward-looking statements, there is a risk that the Combined Company's actual results of operations or financial position could differ materially from those expressed or implied by these forward-looking statements as a result of one or several factors. The forecast and the financial targets are based upon a number of assumptions, which are inherently subject to significant business, operational, economic and other risks, many of which are outside of the Combined Company's control. Accordingly, the assumption may change or may not materialise at all. In addition, unanticipated events or materialised risks may adversely affect the Combined Company's actual results of operations and financial position in future periods whether or not the Combined Company's assumptions relating to the 2024 financial year or future periods otherwise prove to be correct. As a result, the Combined Company's actual results of operations or financial position may differ materially from financial targets and investors should not place reliance on them or view them as guarantees of future performance but conduct their own assessments of the Combined Company's future development.

The Combined Company has only one production facility, and significant disruptions or interruptions in the Combined Company's production or deliveries, or damage, destruction, or closure of the Combined Company's only production facility would materially impair the Combined Company's ability to deliver its products

The Combined Company's products are manufactured in its only production facility in Vantaa, Finland. Therefore, the Combined Company is dependent on its production facility and any kind of damage to or disruption suffered by the production facility would discontinue its operations for an extended period of time, which could have a material adverse effect on its business operations. If the production facility is damaged, for example, by a fire, or is subject to other disruptions such as energy shortages, power cuts, cyberattacks, sabotage or other disasters, natural or otherwise, the Combined Company's business operations could be interrupted. In addition, the CNT reactors and products supplied by the Combined Company must meet strict quality standards and specifications, and, for example, a gas supply that would violate such requirements could distort the production process and cause delays. Any damage to or disruption suffered by the Combined Company's production facility or material disruptions or interruptions of production or deliveries may have a

[3] Includes approximately EUR 1.7 million conversion of a Business Finland loan into a grant, which has been recognised as other operating income.

material adverse effect on the Combined Company's business, financial position, results of operations, future prospects and share price.

The Combined Company will be subject to a variety of regulations and future regulations might impose additional requirements and other obligations on the Combined Company's business

The Combined Company will be subject to a number of laws and regulations that apply, among other things, to its business and to companies listed on the First North marketplace generally. These laws and regulations cover, among other things, consumer protection, taxation, tariffs, anti-bribery, sanctions, antitrust, pricing, content, and patents. Notably, the EUV lithography sector is subject to specific export rules by the United States and the Netherlands, restricting sales to customers in China. This highlights the intricate sanctions regulation landscape the Combined Company must navigate. The point-of-care testing industry is also heavily regulated.

In addition to legislation, the Combined Company must comply with various industry standards and specifications in its product development, such as those published by the International Automotive Task Force (IATF), including the IATF 16949 standard. This standard defines the Quality Management System (QMS) requirements specifically for the automotive industry, focusing on the ability to fulfil customer-specific requirements including verification of conformity with the specification.

Furthermore, the legal and regulatory environment is characterised by rapid evolution, with laws and regulations varying significantly across jurisdictions. This poses a challenge for the Combined Company, especially in light of the growth of Canatu's business in recent years, including an increase in its sales, operations, workforce, and infrastructure. Ensuring compliance across its expanding organisation, while adhering to internal policies, has become more challenging. Existing and future regulations and laws may also inhibit the Combined Company's ability to grow its business, or adversely affect the Combined Company's business by increasing costs and administrative burdens.

Given the broad variety of applicable rules and their evolving nature, Lifeline SPAC I cannot guarantee that Canatu's practices have complied, or the Combined Company's practices will comply, fully with all applicable laws and regulations. For example, it cannot be ruled out that the Combined Company would violate the EU General Data Protection Regulation (EU 2016/679, "**GDPR**"). Canatu's data processing practices and documentation have not been fully compliant with the GDPR and other applicable data protection and privacy legislation. For example, Canatu's existing GDPR compliance documentation has contained errors and inadequacies. Although Canatu has taken measures to correct the errors and inadequacies, there can be no assurances that these measures will be sufficient to meet the requirements of the GDPR. Failure to comply with the requirements of the GDPR may result in an administrative penalty of up to EUR 20 million or 4 per cent of the total annual worldwide turnover of the preceding financial year, whichever is the higher.

Non-compliance with any applicable law or regulation could lead to material adverse effects on the Combined Company's business operations, among other things in the automotive industry, where failing to maintain the IATF 16949 standard or fulfil customer specific requirements could result in damage to customer relationships, financial penalties, and a tarnished reputation. Moreover, any perceived or actual failure in compliance could trigger legal actions, leading to increased legal expenses, revenue loss, and further reputational damage.

Adverse changes in laws or regulations applicable to the Combined Company could cause it to incur substantial costs or require it to change its business practices, and could compromise the Combined Company's ability to pursue its growth strategy effectively. Any compliance failure may also give rise to civil liability, administrative orders (including injunctive relief), fines or even criminal charges, which could have a material adverse effect on the Combined Company's business, financial position, results of operations, future prospects and share price.

Product liability claims might be brought against the Combined Company due to a defective design, materials or workmanship, or due to the misuse of the Combined Company's products, and these could result in expensive and time-consuming litigation, payment of substantial damages and an increase in the Combined Company's insurance rates and the insurance coverage may also be insufficient in other respects

If the Combined Company's products are defectively designed, manufactured or labelled, or if they contain defective components or are misused, the Combined Company may become subject to substantial and costly litigation by its customers or their customers. In addition, if the operating guidelines of the Combined

Company's products are found to be inadequate, the Combined Company may be subject to liability. For example, if a film heater in an ADAS sensor utilising the Combined Company's CNT malfunctions or does not work as intended and an accident occurs, liability claims might be brought against the Combined Company and/or the manufacturer of the sensor. In addition to manufacturing and selling CNT products to its end customers, the Combined Company manufactures and sells CNT reactors for the production of CNT membranes for EUV pellicles. While the Combined Company provides comprehensive training and support aimed at ensuring that its customers can utilise the Combined Company's technology and reactors effectively and as intended, the Combined Company cannot guarantee that all its customers will reach the desired level of proficiency or achieve optimal results, due to factors such as inadequate training, lack of technical expertise, or operational constraints on the customer's part. Misuse, underutilisation or operational errors by customers may lead to suboptimal production outcomes, such as lower than expected production yields and quality issues, which in turn could adversely affect the perceived value and reliability of the Combined Company's technology and reactors and adversely affect the Combined Company's reputation, customer satisfaction, and future sales. Furthermore, any failure or perceived failure of the Combined Company's technology and reactors to perform as expected could result in claims against the Combined Company, notwithstanding any contractual limitations of liability. There can be no assurance that rigorous training programs and robust customer support may prevent all these failures.

Product liability claims may divert the management's attention away from the Combined Company's core business, be expensive to defend against and result in sizeable damage awards against the Combined Company. The Combined Company may not have sufficient insurance coverage for all future claims. The Combined Company may not be able to obtain insurance coverage at an amount or in a scope that is sufficient to protect it against all potential liabilities. Any product liability claims brought against the Combined Company, with or without merit, could increase the Combined Company's liability insurance rates or prevent the Combined Company from securing continuing coverage, could harm the Combined Company's reputation in the industry and reduce product sales. Product liability claims in excess of the Combined Company's insurance coverage would be paid out of cash reserves, which would harm the Combined Company's financial position and reduce its results of operations.

Hazardous substances used by the Combined Company in its production and operation of its systems expose the Combined Company to regulatory and reputational risks

Hazardous substances, in particular gases, are used in the production and operation of the Combined Company's products and systems. This subjects the Combined Company to a variety of governmental regulations relating to environmental protection and employee and product health and safety. This includes the transport, use, storage, discharge, handling, emission, generation, and disposal of toxic or other hazardous substances. In addition, operating the Combined Company's systems (which use potentially hazardous substances) can be dangerous and result in injury. Failure to comply with such regulations could result in harm to people and the environment. Fines could be imposed on the Combined Company, as well as suspension of production, alteration of the Combined Company's manufacturing and assembly and test processes, which could result in damage to the Combined Company's reputation and/or restrictions on its operations or sale or other adverse consequences. This could in turn have a material adverse effect on the Combined Company's business, financial position, results of operations, future prospects and share price.

The Combined Company may not be able to achieve its environmental, social and/or governance objectives or adapt and respond timely to emerging environmental, social and governance expectations and regulations

Companies in all sectors are increasingly facing scrutiny of their environmental, social and governance ("**ESG**") policies and practices. For example, investors, capital providers, shareholder advocacy groups, market participants, customers and other stakeholders are increasingly focused on ESG practices and ESG matters. Specifically, in the semiconductor industry, there is an emphasis on societal contributions and reducing the environmental and social effects of products across all stages of their life cycle.

Canatu has set four key goals designed to enhancing the sustainability of its CNT manufacturing. Canatu aimed to decrease the electrical consumption of each production unit to one fifth, and this goal was reached by the end of 2023. In addition, Canatu aims to achieve carbon neutral own operations by 2035. Canatu also aims to reduce CO2-equivalent air emissions to a fifth per production unit by the end of 2025. In addition to these, Canatu aims to achieve substantial reduction in carbon dioxide emissions from process exhaust by the end of 2026. Canatu was also awarded EcoVadis gold sustainability rating in 2022.

However, there can be no assurance that Canatu will be able to achieve its sustainability objectives, meet the emerging ESG expectations of its stakeholders or respond in a timely manner to new regulations, reporting and disclosure obligations. Failure in any of the above could negatively affect the Combined Company's brand and reputation and impede its ability to recruit or retain employees, which could have a material adverse effect on the Combined Company's business, financial position, results of operations, future prospects and share price.

Risks Related to the Transaction

Lifeline SPAC I's access to information regarding Canatu has been limited, and there is no assurance that Lifeline SPAC I's due diligence review has revealed all possible deficiencies, liabilities and material risks that may be present with regard to the Transaction and Canatu

As a private company, very little public information exists about Canatu. Therefore, Lifeline SPAC I's access to information regarding Canatu in connection with the preparation of the Transaction has been limited. Lifeline SPAC I has only been able to conduct a limited due diligence review of Canatu, which may have failed to assess the materiality of the liabilities and deficiencies identified, or failed to identify and discover all potential liabilities and deficiencies in Canatu, including (i) deficiencies or omissions in the analysis of its technology, investment plan and competitive positioning, (ii) onerous contract terms in key agreements, or (iii) latent liabilities for breaches of contract in business-critical relationships, legal proceedings, employer and pension obligations, non-compliance with regulations, intellectual property rights, taxes, or other liabilities (whether or not contingent or included in the financial statements of Canatu, as included in this Company Description). Such matters may not necessarily be evident in the press releases or other disclosure published by Canatu either. Therefore, in certain matters Lifeline SPAC I has had to rely on Canatu's management's views in its assessment of Canatu. In legal due diligence, Lifeline SPAC I has examined, inter alia, Canatu's corporate documents (including resolutions of the Board of Directors and shareholders in 2021–2024); financial statements and other documents directly related to the audit; delivery, customer, employment and insurance contracts and lease agreements; intellectual property rights and related documents; documents related to legal proceedings and other legal or administrative disputes; and tax records and returns.

Certain key agreements of Canatu entered into with third parties also include customary change of control clauses whereby Canatu is obligated to notify the third party of the Transaction and/or seek consent from the third party to Transaction prior to its completion. If no notification is made and/or the consent is not given, the third party has the right to terminate the agreement. The agreements could also include other customary clauses that prevent or impose limitations on completing certain corporate transactions, such as the Transaction, as planned or at all, or otherwise prevent or impose limitations on transferring the rights and obligations arising from such agreements without the consent or waiver of the third party. In such an event, the third party could, for example, have the right to terminate the agreement or to accelerate credits or loans and to receive consequent compensation on the basis of the Transaction or change of control. As Canatu and Lifeline SPAC I commence their operations as the Combined Company, the Combined Company's management may learn additional information about liabilities which, individually or in aggregate, could result in significant additional costs and liabilities that are not described in this Company Description, or affect the feasibility of achieving estimated benefits of the Transaction.

Lifeline SPAC I cannot assure that the due diligence review Lifeline SPAC I has conducted on Canatu has revealed all material issues that may be present with regard to the Transaction and Canatu, or that it would be possible to uncover all material issues through a customary amount of due diligence or that risks outside of Lifeline SPAC I's or the Combined Company's control will not later arise. Materialisation of any of the above factors could have a material adverse effect on the Combined Company's business, financial position, results of operations, future prospects and share price.

Various factors may cause that the Transaction is not completed or that its completion is delayed, resulting in incurrence of significant expenses and use of resources by Lifeline SPAC I and Canatu that may not be necessary, as well as lost business opportunities that could otherwise have been pursued with the resources used for preparation of the Transaction

In accordance with the Rules of the Exchange for issuers of Shares of Nasdaq Helsinki (the "**Main Market Rulebook**") and Lifeline SPAC I's Articles of Association, Lifeline SPAC I must complete the Transaction within 36 months after the date of Lifeline SPAC I's series A shares being admitted to trading on the SPAC segment of the regulated market of Nasdaq Helsinki. Trading with Lifeline SPAC I's series A shares commenced on 15 October 2021. Therefore, the Transaction must be completed by 15 October 2024. If the completion of the

Transaction has not taken place by 15 October 2024, or if it becomes evident, including, without limitation, due to a material adverse effect incapable of being cured occurring, appearing or being disclosed to Lifeline SPAC I or Canatu after the date of the Transaction Agreement or due to Lifeline SPAC I or Canatu failing to fulfil any of their respective undertakings or obligations resulting in the failure of the completion of the Transaction, that the completion of the Transaction cannot take place by 15 October 2024 regardless of any possible course of action by Lifeline SPAC I or Canatu, the Transaction Agreement may be terminated with immediate effect by either of Lifeline SPAC I or Canatu, in which case the Transaction will not be completed and Lifeline SPAC I will be placed into liquidation.

The materialisation of, among other things, any of the following risks before 15 October 2024 or the completion of the Transaction could cause that the Transaction Agreement would be terminated or that the Transaction could not be completed. For further information on all of the conditions precedent for the Transaction contained in the Transaction Agreement, see section "*The Transaction and the Transaction Agreement*".

- The Board of Directors of Lifeline SPAC I has on 2 August 2024 proposed that the EGM of Lifeline SPAC I convened to be held on 23 August 2024 would resolve on the Transaction in accordance with the Main Market Rulebook and approve the Transaction (for further information, see "*The Transaction and the Transaction Agreement – The Extraordinary General Meeting of Lifeline SPAC I Resolving on the Transaction*". In accordance with the Main Market Rulebook, resolving on a business combination requires (for SPACs) the support of majority of the shares voting at the General Meeting of shareholders at which the business combination is being considered, taking into account, however, that the issuance of the Consideration Shares requires the support of qualified majority (i.e. no less than two thirds of the votes cast and the Shares represented at the General Meeting) pursuant to the Finnish Limited Liability Companies Act (624/2006, as amended, the "**Finnish Companies Act**"). If the shareholders of Lifeline SPAC I do not approve the Transaction in the form proposed by Lifeline SPAC I's Board of Directors, the Transaction will not be completed. Although shareholders of Lifeline SPAC I, holding as at the date of this Company Description approximately 72 per cent of the votes in Lifeline SPAC I, have irrevocably undertaken to vote in favour of the Transaction (for further information, see "*The Transaction and the Transaction Agreement – Shareholder Support*"), there can be no assurance that these shareholders will uphold their undertakings, and Lifeline SPAC I may not be able to enforce their commitments.

- Any of the representations and warranties given by Lifeline SPAC I and Canatu to each other in the Transaction Agreement could be breached, and if such a breach would not be cured or would be incapable of being cured, such breach could result in the Transaction Agreement being terminated and the Transaction not being completed. For further information on representations and warranties in the Transaction Agreement, see section "*The Transaction and the Transaction Agreement – Transaction Agreement – Representations, Warranties and Undertakings*".

Even if the Transaction is approved by the shareholders of Lifeline SPAC I, specified conditions must be satisfied or waived to complete the Transaction. These conditions are described in detail in the Transaction Agreement and in addition to necessary signatories by Canatu's current shareholders and option rights holders (the "**Sellers**"), include among other requirements, (i) necessary authorisations, approvals and consents from required authorities for the lawful and valid execution of the Transaction have been obtained, (ii) Nasdaq Helsinki having approved the Listing, (iii) no competent court or other government body or public authority has issued an order in effect restraining or prohibiting the consummation of the Transaction, (iv) the EGM of Lifeline SPAC I approving the Transaction and resolving on all necessary matters related to the Transaction, (v) the conditions of the irrevocable undertakings given by shareholders of Lifeline SPAC I relating to the EGM having been fulfilled, (vi) aggregate redemption price payable for the series A shares in Lifeline SPAC I held by those shareholders of Lifeline SPAC I who have demanded redemption of their series A does not exceed EUR 43 million, (vii) there not having occurred a material adverse effect in respect of Canatu (viii) no material breach of warranties having taken place, (ix) certain change of control consents having been received from Canatu's contractual counterparties, and (x) both parties having performed in all material respects their obligations under the Transaction Agreement required to be performed by them prior to the consummation of the Transaction pursuant to the terms of the Transaction Agreement. For further information, see section "*The Transaction and the Transaction Agreement – Conditions Precedent of the Transaction Agreement*". Lifeline SPAC I cannot assure that all of the conditions will be satisfied. If the conditions are not satisfied or waived, the Transaction will not occur, or will be delayed and such delay may cause Lifeline SPAC I and Canatu to each lose some or all of the intended benefits of the Transaction. If the Transaction does not occur, Lifeline SPAC I may not be able to find another potential candidate for its transaction prior to Lifeline SPAC I's deadline 15 October 2024, and Lifeline SPAC I will be required to liquidate.

The costs related to the Transaction are expected to be significant. A significant amount of costs has already been, and will continue to be, incurred even if the Transaction is not eventually completed. Even if the Transaction is not completed, Lifeline SPAC I expects to incur approximately EUR 1,200 thousand in transaction costs and costs related to the Listing. If the Transaction is not completed, the significant expenses incurred and resources used by Lifeline SPAC I may end up being unnecessary, business opportunities that could otherwise have been pursued with the resources used for preparation may be lost, and the reputation of Lifeline SPAC I may be damaged. Failure to complete the Transaction could have a material adverse effect on Lifeline SPAC businesses, financial positions, results of operations, future prospects, or prices of the Shares in Lifeline SPAC I, and lead to Lifeline SPAC I being placed into liquidation.

Further, even if any of the above risks could be remedied or the Transaction Agreement would not be terminated, and the Transaction would thus eventually be completed, materialisation of any of the above risks could delay the completion of the Transaction in the planned timetable. A delay in the completion of the Transaction could delay potential benefits attributed to the Transaction, increase the amount of expenses incurred by Lifeline SPAC I and Canatu for completing the Transaction, lead to the depletion of Canatu's cash and cash equivalents reserves or result in certain business opportunities being lost. The costs related to the Transaction for Lifeline SPAC I and Canatu are expected to be significant. In addition, the respective managements and key employees of Lifeline SPAC I and Canatu have also used, and will continue to use, significant amounts of time preparing the Transaction. A delay in the completion of the Transaction and the resulting factors could have a material adverse effect on Lifeline SPAC I's, Canatu's, or the Combined Company's respective businesses, financial positions, results of operations, future prospects, or prices of the shares in Lifeline SPAC I and/or Canatu.

The Combined Company may not necessarily be able to realise some or any of the estimated benefits of the Transaction in the manner or within the timeframe currently estimated, or at all, and there is no assurance that the strategic, operational or other improvements to be made to the Combined Company succeed in increasing its value

The Combined Company intends to use the available funds in Lifeline SPAC I's escrow account (EUR 105,584,211.36[4], assuming no redemptions) for developing its operations and expanding its business. Certain Lifeline SPAC I's members of the Board of Directors, the Management Team and the Sponsor Committee intend to play an active role in developing the Combined Company's operations. The Sponsors and Lifeline SPAC I's CEO Tuomo Vähäpassi also have the right to appoint two members to the Board of Directors of the Combined Company until two years have passed since the completion of the Transaction. Additionally, Lifeline SPAC I's members of the Board of Directors, the Management Team and the Sponsor Committee have agreed to lock-ups lasting for 24 months starting from the completion of the Transaction.

The combination of Lifeline SPAC I and Canatu will involve certain risks and uncertainties, and there can be no assurance that the Combined Company will achieve any of the estimated strategic and financial benefits of the Transaction described elsewhere in this Company Description within the currently estimated timeframe or during the two years during which Lifeline SPAC I's members of the Board of Directors, the Management Team or the Sponsor Committee or persons who the Sponsors and Lifeline SPAC I's CEO Tuomo Vähäpassi have appointed to the Combined Company's Board of Directors offer an active role in developing the Combined Company, or that any such benefits can be achieved at all (for further information, see section "*Information on the Combined Company – Rationale of the Combination*"). There is no assurance that Lifeline SPAC I will be able to execute any effective and successful strategic, operational or other business improvements, optimisation measures or other modifications enhancing the long-term profitability of Canatu or to successfully support the implementation of existing strategy or projects of Canatu. Even if Lifeline SPAC I could successfully support the implementation of existing strategy or projects of Canatu, achieving the expected benefits of the Transaction could be delayed by, among other things, the global economic or market conditions, or other factors beyond the control of Lifeline SPAC I or the Combined Company, developing adversely in the Combined Company's operating countries or globally. The materialisation of these risks could also result in the estimated implementation costs being exceeded.

In addition, in connection with the Transaction, Lifeline SPAC I, together with Canatu, has set certain financial targets for the Combined Company, such as annual revenue of EUR 100 million and EBIT margin (adjusted for goodwill amortisation in accordance with the Finnish Accounting Standards) of over 30 per cent in 2027. Such financial targets are based on assumption which are inherently uncertain and may be beyond the Combined Company's control. The assumptions underlying the Combined Company's financial targets may

[4] Calculated based on the situation as at 30 June 2024 and before, for example, taxes and certain transaction costs.

prove to not have been, or may no longer be, accurate. Accordingly, such financial targets may not be realised, and actual results may be significantly higher or lower than projected. As a result, the inclusion of such financial targets in this Company Description should not be relied on as guidance or otherwise predictive of actual future events, and actual results may differ materially.

If the Combined Company fails to realise the anticipated benefits or recognise further benefits of the Transaction, or the estimated implementation costs of the Transaction are exceeded, the targets and benefits of the Transaction may not be realised.

Materialisation of any of the above risks could have a material adverse effect on the Combined Company's business, financial position, results of operations, future prospects and share price as well as its ability to distribute dividends to its shareholders, and the investors might lose all or part of the capital invested.

Because Lifeline SPAC I's members of the Board of Directors, the Management Team and the Sponsor Committee will lose their entire investment in Lifeline SPAC I (excluding certain investments in series A shares) if the Transaction or an alternative transaction is not completed, a conflict of interest may have arisen in determining whether Canatu was appropriate for Lifeline SPAC I's Transaction

Lifeline SPAC I has estimated that conflicts of interest may arise because the investments by Lifeline SPAC I's members of the Board of Directors, the Management Team and the Sponsor Committee are bound to a successful Transaction (excluding such investments in series A shares that have not been made in accordance with the undertaking given by the Sponsors). Lifeline SPAC I has issued warrants and series B shares to its members of the Board of Directors, the Management Team and the Sponsor Committee. Lifeline SPAC I's series B shares are not entitled to funds deposited in the escrow account in connection with Lifeline SPAC I's Initial Listing in October 2021, and it is not possible to convert the series B shares into series A shares if the Transaction is not approved and if the Combined Company's share price does not reach certain price limits defined in Lifeline SPAC I's or the Combined Company's Articles of Association thereafter. In addition, Lifeline SPAC I has issued warrants entitling to subscribe for Lifeline SPAC I's series A shares in accordance with the terms of the warrants. If the Transaction is not approved, it is not possible to subscribe for Lifeline SPAC I's series A shares.

If the Transaction is not consummated and Lifeline SPAC I is forced to wind up, dissolve and liquidate in accordance with the Articles of Association of Lifeline SPAC I, the 2,500,000 series B shares currently held by Lifeline SPAC I's members of the Board of Directors, the Management Team and the Sponsor Committee, of which 1,000 were initially subscribed for in connection with the establishment of Lifeline SPAC I on 13 August 2021 free of charge and of which 2,499,000 were subscribed for prior to the listing of Lifeline SPAC I on 31 August 2021 and 28 September 2021 for an aggregate subscription price of EUR 99,985, will be worthless as the holders have waived liquidation rights with respect to such shares. In addition, Lifeline SPAC I's Sponsors Timo Ahopelto, Petteri Koponen and Juha Lindfors have on 5 July 2024 subscribed for a total of 94,995 new series A shares in a directed issue for a subscription price of EUR 10.00 per share in order to ensure the sufficiency of Lifeline SPAC I's working capital for the completion of the Transaction. These series A shares are not entitled to Lifeline SPAC I's assets in liquidation proceedings or other distribution of assets prior to the completion of the Transaction as the Sponsors have committed to waive their right to distribution of assets prior to the completion of the Transaction entitled to by the series A shares subscribed for by the Sponsors and to deliver to Lifeline SPAC I these series A shares held by them without consideration if Lifeline SPAC I is placed into liquidation or in bankruptcy prior to the completion of the Transaction. Such series A shares had an aggregate market value of EUR 1,102 thousand based upon the closing price of Lifeline SPAC I's series shares of EUR 11.60 per share on Nasdaq Helsinki on 1 August 2024. Furthermore, 495,833 warrants issued by Lifeline SPAC I (the "**Founder Warrants**"), the subscription price of which was EUR 0.01 per warrant, held by Lifeline SPAC I's Management Team, and 2,337,500 warrants issued by Lifeline SPAC I (the "**Sponsor Warrants**"), the subscription price of which was EUR 1.82 per warrant, held by members of the Board of Directors and the Sponsor Committee will be worthless if Lifeline SPAC I does not complete the Transaction or an alternative transaction.

The members of the Board of Directors, the Management Team and the Sponsor Committee may, therefore, have a pronounced economic interest in the completion of the Transaction. The personal and economic interests of Lifeline SPAC I's members of the Board of Directors, the Management Team and the Sponsor Committee may have influenced their motivation in identifying and selecting Canatu as the target company, completing the Transaction and influencing the operation of the business following the Transaction.

In addition, certain Lifeline SPAC I's members of the Board of Directors, the Management Team and the Sponsor Committee and certain Canatu's members of the management team and Board of Directors participate in arrangements that provide them with interests in the Transaction that may be different from the investors', including, among others, the continued service as a member of the Management Team or Board of Directors of the Combined Company and the potential ability to sell an increased number of shares in the Combined Company.

These interests of Lifeline SPAC I's members of the Board of Directors, the Management Team and the Sponsor Committee as well as the members of the management team and the Board of Directors of Canatu may have influenced their motivation to support or approve the Transaction. For further information on potential conflicts of interest, see section "*Information on Lifeline SPAC I – Administration, Management and Auditors – Conflicts of Interest*".

The unaudited Pro Forma Financial Information in this Company Description is presented for illustrative purposes only and may differ materially from the Combined Company's actual results of operations and financial position following the Transaction and the Listing

Lifeline SPAC I and Canatu currently operate as separate companies. Lifeline SPAC I and Canatu have had no prior history as a combined entity and their respective operations have not previously been managed on a combined basis. The unaudited pro forma information (the "**Pro Forma Information**") in this Company Description is presented for illustrative purposes only. The hypothetical financial position and results of operations included in the Pro Forma Information are not necessarily indicative of what the Combined Company's financial position or financial performance would actually have been had the Transaction and the Listing been completed on the dates indicated. Further, the Pro Forma Information does not purport to project the financial position or results of the Combined Company as of any future date. The Pro Forma Information does not reflect future events that may occur after the Transaction and the Listing and does not consider potential impacts of current market conditions on revenues or expenses. The Pro Forma Information included in section "*Unaudited Pro Forma Financial Information*" has been derived from Lifeline SPAC I's and Canatu's historical financial statements and certain adjustments and assumptions have been made regarding the Combined Company after giving effect to the Transaction and the Listing. The Pro Forma Information has been prepared based upon available information and certain assumptions and estimates that Canatu and Lifeline SPAC I currently consider to be justified. The adjustments included in the Pro Forma Information include certain assumptions related to the valuation of the Consideration Shares, potential amount of additional purchase price, possible cash redemptions of Lifeline SPAC I's series A shares, accounting policy alignments and other events related to the Transaction and the Listing. Considering the fact that the final accounting impact of the Transaction and the Listing can only be determined at the date of the completion of the Transaction and the Listing, the pro forma adjustments presented are preliminary and based on information available at this time and are subject to change.

There can be no assurance that the assumptions used in the preparation of the Pro Forma Information will prove to be correct. The actual results of the Transaction and the Listing may materially differ from the assumptions used and the pro forma adjustments reflected in the Pro Forma Information. Differences between preliminary estimates in the Pro Forma Information and the final acquisition accounting will occur and could have an adverse impact on the Pro Forma Information and, accordingly, on the Combined Company's financial position and future results of operations.

Lifeline SPAC I and Canatu have incurred and expect to incur significant costs associated with the Transaction and the Listing, and the incurrence of these costs will reduce the amount of cash available to be used to execute the strategic plan of the Combined Company following the completion of the Transaction and the Listing

Lifeline SPAC I and Canatu expect to incur significant transaction costs associated with the Transaction and the Listing and operating as a company listed on the First North marketplace following the Listing. Most transaction costs incurred and paid in connection with the Transaction and the Listing reduce the funds available to develop the operations of the Combined Company. Certain transaction costs are borne by Lifeline SPAC I and paid from its escrow account. Lifeline SPAC I has committed to pay the Joint Financial Advisors a total maximum of EUR 1.5 million from the proceeds raised in its Initial Listing if Lifeline SPAC I succeeds in completing the Transaction and the Listing. In addition, Lifeline SPAC I will pay transfer tax and certain legal expenses in connection with the Transaction and the Listing.

As noted in section "*The Transaction and the Transaction Agreement – Fees and Costs Relating to the Transaction*", expected transaction costs due to consummating the Transaction and the Listing and related transactions are approximately EUR 3,600 thousand, approximately EUR 550 thousand of which are Lifeline SPAC I's transaction costs, approximately EUR 750 thousand of which are Canatu's transaction costs and approximately EUR 2,300 thousand of which are costs related to the Listing. The estimated transfer tax to be paid in connection with the completion of the Transaction is EUR 3,269 thousand (excluding the additional purchase price). However, the transaction costs incurred in connection with the Transaction that are accounted as the Combined Company's liability may be higher than estimated as the costs will not be defined until the closing of the Transaction. These costs will reduce the amount of cash available to be used to execute the strategic plan of the Combined Company following the completion of the Transaction, which could have a material adverse effect on the Combined Company's business, financial position, results of operations, future prospects and share price.

The Combined Company's financial position may weaken and the ability to execute the Combined Company's strategic plan could be negatively impacted if a large number of shareholders choose to request the redemption of their series A shares in Lifeline SPAC I after having voted against the proposed Transaction

Prior to the completion of the Transaction, Lifeline SPAC I shall convene the EGM where its shareholders have a right to decide on the proposed Transaction. The shareholders who vote against the proposed Transaction will have the right to require redemption of their series A shares in Lifeline SPAC I when certain conditions stipulated in the Articles of Association of Lifeline SPAC I are met. In so far as the shareholders notify of their desire to have their shares redeemed, the amount of funds for carrying on of the business of the Combined Company after the Transaction will diminish. The transaction costs and fees payable to the Joint Financial Advisors will not be adjusted to account for redemptions of series A shares by Lifeline SPAC I's shareholders. Accordingly, the amount of effective total commissions as a percentage of the Transaction value will increase as the number of redeemed series A shares increases. As a result, the Combined Company may have to obtain, for instance, other debt financing, which may be difficult to obtain or the terms of which may be unfavourable.

Thus, the redemption of series A shares may have a negative impact on the financial position of the Combined Company and on the ability to execute the strategic plan of the Combined Company following the completion of the Transaction.

Changes in the financial markets may affect the estimated valuation by Lifeline SPAC I of Canatu

Pursuant to its investment strategy, Lifeline SPAC I has chosen a growth company as its target. Any changes in the financial markets, such as further increases in the interest levels that have been subject to great volatility during the last years, may have a negative impact on the valuations or operational possibilities of growth companies. As a result of this, the valuation of Canatu may decrease from what Lifeline SPAC I has anticipated. Significant changes occurring in the financial markets may render the valuation of Canatu more difficult and result in the Transaction being unbeneficial for Lifeline SPAC I's shareholders.

Change of financial reporting standards from IFRS Accounting Standards to Finnish Accounting Standards may make it more difficult for investors to evaluate the Combined Company

Lifeline SPAC I's financial statements for the financial years ended 31 December 2023 and 31 December 2022 and for the period from 13 August to 31 December 2021 have been prepared in compliance with the IFRS Accounting Standards of the International Accounting Standards Board (IASB) as adopted by the EU ("**IFRS Accounting Standards**"). Following completion of the Transaction, the Combined Company will prepare its consolidated financial statements in accordance with the laws and regulations governing the preparation of financial statements in Finland (the "**Finnish Accounting Standards**" or "**FAS**"), consistent with the accounting policies currently applied by Canatu.

Financial information prepared in accordance with Finnish Accounting Standards is not necessarily comparable with information presented by other companies reporting in accordance with other reporting standards, such as IFRS Accounting Standards. The fact that the Combined Company will not apply IFRS Accounting Standards may make it more difficult for investors to evaluate the Combined Company as a potential investment and international investors may decline to invest in the Combined Company as they are not familiar with the accounting policies applied by the Combined Company and therefore view the Combined Company as a high-risk investment. These circumstances may have a material adverse effect on the

Combined Company's ability to attract international investors and, therefore, have a material adverse effect on the Combined Company's share price.

During the pendency of the Transaction, Canatu may not be able to enter into a transaction with another party because of restrictions in the Transaction Agreement, which could adversely affect its business

Covenants in the Transaction Agreement impede the ability of Canatu to enter into transactions that are not in the ordinary course of business pending completion of the Transaction. The inability to enter into a possibly favourable transaction with another party could have a material adverse effect on the business, financial position, results of operations and future prospects of Canatu and, therefore, a material adverse effect on the Combined Company's financial position, results of operations, future prospects and share price.

Risks Related to the Financial Position and Financing of the Combined Company

Should the market conditions deteriorate, the Combined Company could encounter difficulties in refinancing its debt and financing its operations at competitive terms

The target of the Combined Company's capital management is to secure an effective capital structure to maintain market confidence, sustain future development of the business and to meet its obligations. Given the uncertain conditions prevailing in the financial markets and the macroeconomic environment, there is no certainty that the Combined Company will be able to obtain financing, or it may only be able to obtain financing at a significantly higher cost than is currently the case with Canatu. Many factors such as financial market conditions and the general availability of credit may affect the availability of financing. Financial market conditions may be affected by various factors, including adverse macroeconomic development, sovereign debt crises and unstable political environments. Any increased volatility and uncertainty as well as disruptions and adverse developments in the financial markets could constrain the Combined Company's access to capital and result, for example, in a reduction of liquidity that could make it more difficult to obtain funding at reasonable price levels. Should the Combined Company not be able to obtain necessary financing, this could have a material adverse effect on the Combined Company's business, financial position, results of operations, future prospects and share price.

Fluctuations in interest rates could have a material adverse effect on the Combined Company's business, financial position, results of operations, future prospects and share price

Canatu is a growth company and its interest expenses on loans from financial institutions and convertible bonds for the financial year ended 31 December 2023 amounted to approximately EUR 644 thousand. The Combined Company may also need to raise additional debt capital to fund its growth. Changes in market interest rates and interest margins may, therefore, affect the Combined Company's financing costs, returns on financial investments and market valuation of interest-bearing liabilities. In Europe, interest rates have been under upward pressure due to the general economic and inflationary situation, and there is uncertainty in how the interest rates will develop over the long term. Interest rates can increase in response to numerous factors outside the Combined Company's control, including governments' and central banks' political decisions. Any increase in interest rates would cause the Combined Company's current financial expenses to increase and could have a material adverse effect on the Combined Company's financial position, ability to raise capital, liquidity as well as its future refinancing expenses, and therefore, on its business, financial position, results of operations, future prospects and share price.

The Combined Company is exposed to foreign exchange rate risk

The foreign exchange rate risk for the Combined Company relates to the fact that some of the Combined Company's business transactions will be made in currencies other than euro, primarily US dollar and Japanese yen. The Combined Company's results of operations will be subject to both translation risks and transaction risks arising from fluctuations in currency exchange rates. Translation risk covers the efforts arising from the translation of the foreign subsidiaries' income statements and balance sheets into euros in the Combined Company's consolidated financial statements. Transaction risks caused by foreign currency denominated items in the balance sheet and future cash flows relates to sales, purchases and cash balances. The key currencies in which the Combined Company has exchange rate risk exposures are the US dollar and Japanese yen.

Unfavourable fluctuations in exchange rates of especially the US dollar and Japanese yen could have a material adverse effect on the Combined Company's business, financial position, results of operations, future prospects and share price.

The Combined Company may not be able to maintain sufficient liquidity

The Combined Company's material liquidity needs will mainly relate to short- and long-term debt servicing costs and tax payments, investments and changes in working capital. The Combined Company's primary sources of liquidity to meet these needs will be cash flow from operations, share issues and loans.

Liquidity risk is the risk that the Combined Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Combined Company's approach to managing liquidity will be to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when these are due, under both normal and stressed conditions. However, adverse developments in the general economic situation could have a significant effect on the Combined Company's ability to maintain its liquidity. In addition, disruptions in the supply chain may lead to an increase in inventories, which may affect the Combined Company's liquidity position. Decreased customer demand and investment appetite resulting from economic downturns or market volatility could have a negative impact on the Combined Company's sales and ability to maintain its operating cash flows. This could in turn lead to the depletion of its cash and cash equivalents reserves, resulting in the need to obtain further funding from the markets. In the event of uncertainty and volatility in the financial markets, such financing may be unavailable at favourable terms or at all. In addition, due to the inherent uncertainties involved with the Transaction, the costs of its implementation may increase to higher levels than anticipated. Increasing costs from the implementation of the Transaction could adversely impact the Combined Company's result of operations, cash flows and profitability, which would in turn have an adverse impact on the amount of available liquid funds.

Materialisation of any of the above factors could have a material adverse effect on the Combined Company's business, financial position, results of operations, future prospects and share price.

The Combined Company is exposed to credit and counterparty risks through trade receivables and receivables associated with financial intermediaries

Credit and counterparty risks materialise when counterparties are unable or unwilling to fulfil their obligations towards the Combined Company. The Combined Company's credit risk arises from credit exposures to customers, from outstanding receivables, financial assets, as well as from funding of subsidiaries in the form of loans. The credit risk of the Combined Company's customers may be adversely affected by a number of factors outside of the control of the Combined Company, including, among other things, market volatility, industry consolidation, economic conditions, interest rates, currency fluctuations, diminished liquidity and credit availability. If the Combined Company's customers are not successful in generating sufficient revenue or are precluded from securing financing, they may not be able to pay, or may delay payment of, the Combined Company's products or accounts receivable owed.

Failure by any of the significant counterparties to fulfil their obligations towards the Combined Company in full, in a timely manner or at all may result in significant credit losses and may have a material adverse effect on the Combined Company's cash flows. An increase in credit losses or failure by counterparties to meet their obligations towards the Combined Company could have a material adverse effect on the Combined Company's business, financial position, results of operations, future prospects and share price.

The Combined Company's actual tax assets or tax liabilities may be materially different from estimates or expectations and the Combined Company may be unable to fully utilise its deferred tax assets

In estimating the Combined Company's income tax payable, the Combined Company's management will use accounting principles to determine income tax positions that are expected to be sustained by applicable tax authorities. However, there can be no assurance that the Combined Company's final tax assets or tax liability would not materially differ from the Combined Company's estimates or expectations. Due to the international nature of its business, the Combined Company will be subject to tax laws, regulations and interpretations of several jurisdictions. The tax legislation, regulations and interpretations that apply to the Combined Company's operations are continually changing, and changes may also be applicable retroactively. Future tax assets and liabilities are dependent on factors that are inherently uncertain and subject to change, including future earnings, future tax rates, and future operations in the various jurisdictions in which the Combined Company will operate.

As at 31 December 2023, Canatu's balance sheet, and, as at 30 June 2024, Lifeline SPAC I's balance sheet did not include deferred tax assets. The Combined Company's ability to generate taxable income in the future will be subject to general economic, financial, competitive, legislation, regulatory and other factors that are beyond its control.

The Transaction may also result in forfeiture of or restrictions on the utilisation of unutilised tax losses of Canatu and its subsidiary in accordance with the laws of the country in question. Forfeiture of unutilised tax losses would reduce the value of the Combined Company's off-balance sheet deferred tax assets and increase the value of deferred tax liabilities and could have a material adverse effect on the Combined Company's business, financial position, results of operations, future prospects and share price.

Changes in assumptions underlying the carrying value of certain assets, including as a result of adverse market conditions, could result in impairment of such assets, including goodwill and intangible assets

In connection with the completion of the Transaction, there will be goodwill, intangible assets, and property, plant and equipment amounts recorded in the Combined Company's consolidated balance sheet. Canatu's balance sheet included EUR 1,101 thousand of intangible assets and EUR 9,362 thousand of tangible assets as at 31 December 2023. The Combined Company's pro forma balance sheet 31 December 2023 included EUR 5,629 thousand of goodwill, EUR 1,101 thousand of intangible assets and EUR 9,362 thousand of property, plant and equipment. Goodwill, intangible assets, and property, plant and equipment are amortised or depreciated over their useful lives according to Finnish Accounting Standards. If there is change in estimated useful lives the amortisation or depreciation time must be adjusted. At the close of each reporting period, the Combined Company will evaluate whether there is an indication that the carrying amount of the asset may not be recoverable. If recoverable amount of the asset is estimated to be permanently lower than the carrying amount, impairment must be recorded. Hence the goodwill and intangible assets must be tested for impairment when events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable.

Impairment testing is based on a number of estimates and assumptions. The valuation of goodwill and intangible assets is inherently judgmental and subject to change from period to period because it requires management to make assumptions on the discount rate used, the terminal growth rate and the development of net sales and operating results. Significant changes in net sales or cost items, cash flow projections, discount rates or growth rates based on the Combined Company's strategic plans could result in change in amortisation time or impairments of goodwill and intangible assets or other assets, which would lower the Combined Company's results. Also, other events or circumstances, such as increasing financial uncertainty, increasing competition and other factors leading to declining sales or profitability, could result in change in amortisation time or an impairment of goodwill and intangible assets or other assets. There can be no assurance that the Combined Company will not be required to adjust the estimated useful lives or to record impairments in the value of goodwill, intangible assets, or property, plant and equipment, which could have a material adverse effect on the Combined Company's business, financial position, results of operations, future prospects and share price.

Risks Related to the Shares

Conversion of series B shares into series A shares, series A shares subscribed for with warrants, the issuance of additional purchase price as well as series A shares subscribed for with Consideration Options and option rights in Option Plan 2024-II may lower the price of Listing Shares and dilute the Combined Company's shareholders' holdings

Lifeline SPAC I has issued 2,500,000 series B shares to Lifeline SPAC I's members of the Board of Directors, the Management Team and the Sponsor Committee. A holder of series B shares has the right to demand conversion of their series B shares into series A shares at a 1:1 conversion rate after the share price of series A shares has equalled or exceeded certain thresholds. For further information, see "*Shareholders' Rights – Conversion of Lifeline SPAC I's Series B Shares*". The conversion of series B shares into series A shares dilutes the holdings of series A shareholders.

In addition, Lifeline SPAC I has issued a total of 495,833 Founder Warrants and 2,337,500 Sponsor Warrants to Lifeline SPAC I's members of the Board of Directors, the Management Team and the Sponsor Committee. Each Founder Warrant and Sponsor Warrant entitles its holder to subscribe for one series A share for a subscription price of EUR 12.00 per share. If the holders of the Founder Warrants and the Sponsor Warrants decide to exercise their right to subscribe for the Listing Shares with the issued Founder Warrants and Sponsor Warrants, this will dilute the holdings of the Combined Company's shareholders. In addition, all Lifeline SPAC I's series A shareholders who have not voted against the Transaction at the EGM and required the redemption of their series A shares, will be issued one warrant (the "**Investor Warrants**") for every three series A shares in Lifeline SPAC I held by the shareholder, and each of the total maximum of 3,364,998 Investor Warrants entitles its holder to subscribe for one new series A share in the Combined Company for a subscription price of EUR 11.50 per share. If the holder of the Investor Warrants does not exercise its right to subscribe for shares in the Combined Company, the holding of the shareholder will be diluted, assuming that some of the holders of the Investor Warrants exercise their right to subscribe for shares.

As replacement for Canatu's cancelled option rights, Lifeline SPAC I will issue new, fully vested option rights without consideration to the holders of Canatu's options in connection with the completion of the Transaction (the "**Consideration Options**"). The total number of Consideration Options is 1,676,752 option rights that entitle their holders to subscribe for a maximum of 1,676,752 new series A shares in the Combined Company.

In addition, Lifeline SPAC I and Canatu have, in connection with the Transaction, agreed on an additional purchase price and the issue of option rights entitling to series A shares (the "**Option Plan 2024-II**"). The additional purchase price would be paid with the Combined Company's new series A shares. If the Combined Company's volume weighted average share price exceeds certain thresholds, the additional purchase price becomes payable and option rights under Option Plan 2024-II will vest, which dilutes the ownership of other shareholders by a total of 6,999,905 series A shares. For further information on the additional purchase price, see section "*The Transaction and the Transaction Agreement – Share Consideration – Earn Out*", and for further information on the Option Plan 2024-II, see section "*The Transaction and the Transaction Agreement – Share Consideration – Option Plan 2024-II*.

If, together with the Consideration Shares issued in connection with the Transaction, (i) all series B shares are converted into series A shares (ii) all Founder Warrants, Sponsor Warrants and Investor Warrants are exercised to subscribe for new series A shares, (iii) the additional purchase price is issued in full, all Consideration Options are exercised to subscribe for new series A shares, and (v) all option rights under Option Plan 2024-II be vested, the total number of series A shares in the Combined Company increases by 39,166,809 series A shares, and the total number of series A shares is 49,261,804 series A shares, meaning dilutive effect of 79.5 per cent. For the purpose of this Company Description, Lifeline SPAC I has prepared an example calculation on the dilution of the holdings. For further information, see section "*Information on the Combined Company – Shares and Ownership – Dilution*".

The market price of the Listing Shares may fluctuate considerably, which may result in investors losing a material part of their invested capital

In addition to Lifeline SPAC I's, and in the future, the Combined Company's, result, the price of the Listing Shares is dependent on several factors that are beyond Lifeline SPAC I's control. Examples of such factors comprise, for example, the economic situation, the situation in the general share market, the market interest rate, capital flows, political uncertainty, market behaviour, and/or changes in the market's conceptions of the Combined Company's operations, future prospects or financing solutions.

Lifeline SPAC I's shareholder base includes many investment funds which usually do not stay as long-term shareholders. If several of these investment funds or other shareholders decide to sell their Listing Shares shortly after the Listing, it may cause fluctuations in the market price of the Listing Shares.

The chance that investors may encounter losses when selling the Listing Shares is therefore not precluded. The share market, in general, can be considerably volatile vis-à-vis prices and sales amounts.

An active, liquid and orderly trading market may not develop for the Listing Shares

Prior to the Listing, Lifeline SPAC I has not engaged in any operational business activities and there was no public market for Canatu's shares since Canatu was a private company. Therefore, there is no assurance that the Listing Shares will be actively traded or that active trading can be maintained. Assuming that 21,791,821 Consideration Shares is allocated in connection with the Transaction, only 36.1 per cent of the Combined

Company's shares will be freely tradable. This may have a negative impact on the liquidity of the Listing Shares and result in low trading volumes. Due to the significant percentage of shares in the Combined Company being held by the largest shareholders, there can be no assurance that the largest shareholders will not affect trading and transaction volumes. Low trading and transaction volumes could have a material adverse effect on the prevailing market price of the Listing Shares. The degree of liquidity of the Listing Shares may negatively impact the price at which an investor can dispose of, or buy, the Listing Shares.

The Combined Company may be unable to, or may decide not to, pay dividends or other distributions of unrestricted equity in the future

According to the Finnish Companies Act, the amount distributed by the Combined Company as dividends or other distribution of unrestricted equity may not exceed the amount of distributable funds shown on the last audited statement of financial position of the Combined Company approved by the General Meeting of shareholders. The Combined Company's distributable funds and thus its ability to pay dividends or distribute other unrestricted equity will depend upon several conditions such as the level of income to be derived by the Combined Company, and the level of its cash reserves. As a result, the possible distribution of dividends or other unrestricted equity will depend on the Combined Company's results of operations, financial position, cash flows, need for working capital, investments, future prospects, terms of their financing agreements and other factors. The payment of dividends or the distribution of other unrestricted equity is always based on the discretion of the Combined Company's Board of Directors and is ultimately dependent on a resolution by the General Meeting. Additionally, under the Finnish Companies Act, the distribution of dividends is not permitted if it would jeopardise the Combined Company's solvency.

The Combined Company will annually assess the preconditions for distributing dividends or other unrestricted equity such as return of capital. Lifeline SPAC I or Canatu have not paid dividends or distributed unrestricted equity in other ways in previous financial years, and the Combined Company is not planning to pay dividends in the near future. There can be no assurance that the Combined Company will distribute any dividends or unrestricted equity such as return of capital in the future. For further information, see section "*Information on the Combined Company – The Long-Term Financial Targets and Dividend Policy*".

The largest shareholders will have a significant influence over the Combined Company following the Transaction and interests of such large shareholders of the Combined Company may differ from those of other shareholders

Certain major shareholders will hold significant influence in the Combined Company also after the Transaction. However, there can be no assurance that the interests of such large shareholders will be in line with those of the Combined Company's other shareholders. The Combined Company will have, for example, certain industrial investors as its shareholders who, considering their strategic interests in the technology developed by Canatu, might not support all decisions that would be in favour of the Combined Company. These shareholders will have significant influence over the Combined Company's operations through decisions at a General Meeting, including the election of Board members, the approval of financial statements and the distribution of dividends, issuance of shares and other financial instruments, mergers and acquisitions, and sales of the Combined Company's assets. The feasibility of change of control transactions or other corporate transactions concerning the Combined Company taking place will also be dependent on the largest shareholders. These factors could negatively affect the market price of the shares.

Future share issues and sales of significant numbers of shares in the Combined Company, or the perception that such issuances or sales could occur, may reduce the price of the Listing Shares, and any future share issues may dilute the share of ownership of the shareholders

Future issuances of shares or other securities by the Combined Company may dilute the holdings of shareholders and could adversely affect the market price of the Listing Shares. The Combined Company may issue additional shares or securities convertible into shares through directed offerings without pre-emptive subscription rights for existing holders in connection with future acquisitions, any share incentive or share option plan or otherwise. Any such additional offering could reduce the proportionate ownership and voting interests of shareholders, as well as the earnings per share and the net asset value per share. The issuance or sale of a significant number of shares in the Combined Company or an understanding that such an issue or sale may take place in the future may have a material adverse effect on the market price of the Listing Shares and on the Combined Company's ability to raise funds in the future with equity financing. In addition, any possible future directed share issue, or a rights issue where any shareholders decide not to exercise their subscription rights, can dilute shareholders' relative share of shares and votes.

Foreign shareholders may not be able to exercise their pre-emptive subscription right

Pursuant to Finnish legislation, shareholders have certain pre-emptive subscription rights in proportion to their holdings when new shares or securities entitling to the subscription of new shares are issued. However, foreign shareholders of the Combined Company may not be able to exercise their pre-emptive subscription rights in future share issues due to the prevailing laws and regulations in their home countries. This may lead to dilution of the ownership in the Combined Company of such shareholders. Furthermore, if the number of such shareholders who cannot exercise their subscription rights is large and their subscription rights are sold on the market, this may have a material adverse effect on the price of the subscription rights. In addition, the legislation of the relevant country may limit the right of a foreign shareholder to receive information on share issues and other important transactions. For further information on shareholders' rights, see section "*Shareholders' Rights – Shareholders' Pre-emptive Subscription Right*".

Holders of nominee-registered shares may not necessarily be able to exercise their voting rights

The holders of nominee-registered shares may not necessarily be able to exercise their voting rights unless their ownership has been temporarily registered under their own name in Euroclear Finland Oy ("**Euroclear Finland**") prior to the General Meeting of the Combined Company. The Combined Company cannot give any assurances that the holders of nominee-registered shares will receive a notice to the General Meeting of the Combined Company in time to instruct their account operators to either temporarily register their shares or otherwise exercise their voting rights as they wish. For further information, see section "*Shareholders' Rights – Voting Rights*".

Investors may suffer adverse tax consequences in connection with acquiring, owning and disposing of the Listing Shares

The tax consequences in connection with acquiring, owning and disposing of the Listing Shares may differ from the tax consequences in connection with acquiring, owning and disposing of securities in other entities and may differ depending on an investor's particular circumstances including, without limitation, where investors are tax resident. Such tax consequences could be materially adverse to investors.

Risks Related to the Listing and Trading on the First North Marketplace

Canatu has prior to the Transaction operated as a private company, and as at the date of this Company Description, it does not yet meet all the requirements imposed on companies listed on the First North marketplace

Prior to the Transaction, Canatu has operated as a private company. As a result, Canatu's systems and processes with respect to financial reporting, among others, are still in the process of being developed at the date of this Company Description, so that they would be in place at the time of the Listing. Consequently, Canatu's internal processes are commensurate to its size and status prior to the Transaction. Canatu is constantly working on and testing its internal processes. Canatu's decision-making processes and internal controls may not be sufficiently developed to prevent errors (including accounting- and tax-related errors), inefficiencies and compliance violations. In any such case, or if Canatu otherwise discovers deficiencies in its systems, Canatu may be required to undertake corresponding corrections, incur unexpected costs and trust in its business and operations may be adversely affected. Complying with the various laws and regulations applicable to Canatu's business is particularly challenging and this challenge will increase as Canatu continues to grow. Consequently, Canatu's compliance and risk management systems may not be sufficient to ensure that its employees, contractual partners, related parties and agents are or will be in compliance with all applicable laws and regulations. The criteria for determining compliance are often complex and subject to change and new interpretation, and internationalisation of Canatu's business may add further complexity. If the Combined Company fails to comply with applicable laws and regulations, it may breach representations made to its collaborators, and regulatory authorities may require it to take remedial action. In addition, such violations may be punishable by criminal and civil sanctions, including substantial fines, and harm the Combined Company's reputation.

As at the date of this Company Description, Canatu's processes and systems are still being developed, and as at the date of this Company Description they do not meet the requirements for a company listed on the First North marketplace and, therefore, Canatu does not fulfil the admission requirements of the First North marketplace. If Canatu is not able to develop the processes and systems according to its plan, and therefore does not meet the requirements at the date of the completion of the Transaction, Nasdaq Helsinki cannot approve the Listing, in which case the completion of the Transaction could be delayed. Failure to meet the requirements or a delay in meeting the requirements prior to Lifeline SPAC I's deadline 15 October 2024 would lead to Lifeline SPAC I being placed into liquidation.

The Combined Company will incur additional costs and be subject to new regulatory obligations as a consequence of the Listing

Lifeline SPAC I will submit a listing application to Nasdaq Helsinki to list the Listing Shares on the First North marketplace. In addition to non-recurring costs, the Listing will generate additional administrative costs for the Combined Company, among other things due to Lifeline SPAC I not having been engaged in any operational business activities and Canatu having been a private company prior to the Listing. As a consequence of the Listing, the Combined Company will be required to meet regulatory requirements pertaining to entities with shares admitted to trading on the First North marketplace, in particular with respect to financial reporting, governance and information disclosure, and will need to allocate staff and resources to such purposes. Furthermore, the regulations and requirements applicable to listed companies are frequently changing, and the amendments can be difficult to survey, causing risk of infringements by the Combined Company which can result in extensive fines and administrative fees. Such increased costs could have a material adverse effect on the Combined Company's business, financial position, results of operations, future prospects and share price.

Risk of investing in issuers that are listed on the First North marketplace is generally higher which could entail that the marketplace is no longer suitable for all the investors who subscribed for series A shares in Lifeline SPAC I in its Initial Listing

Lifeline SPAC I intends to change listing venue from the SPAC segment of the regulated market of Nasdaq Helsinki to the First North marketplace. The First North marketplace is a multilateral trading facility registered as a growth market for small and medium sized companies, in accordance with Directive 2014/65/EU of the European Parliament and of the Council on Markets in Financial Instruments. Issuers on the First North marketplace are not subject to the same rules as issuers on the regulated market of Nasdaq Helsinki. Instead, they are subject to a set of less comprehensive rules adapted to smaller growth companies. In addition, all of the requirements of the Finnish Securities Markets Act concerning regulated markets do not apply to securities admitted to trading on the First North marketplace, and it is not mandatory to comply with the Finnish Corporate Governance Code issued by the Securities Market Association.

Therefore, the risk of investing in issuers that are listed on the First North marketplace is generally higher compared to an investment in an issuer that is listed on the regulated market of Nasdaq Helsinki which could entail that the marketplace is no longer suitable for all the investors who subscribed for series A shares in Lifeline SPAC I in its Initial Listing. There is a risk that a shareholder of series A shares is not able to sell or purchase shares on the First North marketplace, changes in holdings may cause additional costs, or the First North marketplace may, for instance, not be suitable due to restrictions stipulated in the fund bylaws (if the shareholder is a fund), in which case the fund could be compelled to sell its holding in Lifeline SPAC I, entailing additional costs or tax implications, and fall in the share's value. For further information, see section "*Finnish Securities Markets*".

Investors with a reference currency other than euro will become subject to certain foreign exchange risks when investing in the Listing Shares

The Combined Company uses euro as its reporting currency. The Listing Shares admitted to trading on First North marketplace will be traded and settled in euro, and any future payments of dividends on the Listing Shares will be denominated in euro.

Exchange rate fluctuations of euro will therefore affect the market price of the Listing Shares and the shareholders' return on investments in the Listing Shares, the amount of dividends as well as other distributions received and could result in an increase or decline in the value of the Listing Shares for an investor whose principal or reference currency is not euro. In addition, such investors may incur additional transaction costs when converting euro into another currency.

PARTIES RESPONSIBLE FOR THE INFORMATION GIVEN IN THE COMPANY DESCRIPTION

Company

Lifeline SPAC I Plc
Pursimiehenkatu 26 C
FI-00150 Helsinki, Finland

The Liability Statement of the Board of Directors

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

Lifeline SPAC I Plc
The Board of Directors

Information included in this Company Description concerning Canatu has been prepared by Canatu and has been reviewed by Lifeline SPAC I's Board of Directors. We declare that, to the best of our knowledge, the information provided in the Company Description concerning Canatu is accurate and that, to the best of our knowledge, the information concerning Canatu in this Company Description is not subject to any omissions that may serve to distort the picture the information concerning Canatu in this Company Description is to provide, and that all relevant information in the minutes of Canatu's Board meetings, Canatu's auditors' records and Canatu's other internal documents is included in the Company Description.

Canatu Oy
The Board of Directors

BOARDS OF DIRECTORS, AUDITORS AND ADVISORS

Members of the Board of Directors of Lifeline SPAC I

Name	**Position**
Timo Ahopelto	Chair of the Board
Alain-Gabriel Courtines	Vice Chair of the Board
Caterina Fake	Board Member
Irena Goldenberg	Board Member
Petteri Koponen	Board Member

The address of the Board of Directors is Pursimiehenkatu 26 C, FI-00150 Helsinki, Finland.

Members of the Board of Directors of Canatu

Name	
Ari Ahola	Chair of the Board
Jörg Buchholz	Board Member
Anthony Cannestra	Board Member
Sami Lampinen	Board Member
Thomas P. Lantzsch	Board Member

The address of the Board of Directors is Tiilenlyöjänkuja 9 A, FI-01720 Vantaa, Finland.

The proposed members of the Board of Directors of the Combined Company

Name	
Timo Ahopelto	Chair of the Board
Ari Ahola	Vice Chair of the Board
Anthony Cannestra	Board Member
Thomas P. Lantzsch	Board Member
Scott Sears	Board Member
Kai Seikku	Board Member
Tuomo Vähäpassi	Board Member

The address of the Board of Directors will be Tiilenlyöjänkuja 9 A, FI-01720 Vantaa, Finland.

Joint Financial Advisors

Carnegie Investment Bank AB, Finland Branch
Eteläesplanadi 2
FI-00130 Helsinki, Finland

Danske Bank A/S, Finland Branch
Televisiokatu 1
FI-00240 Helsinki, Finland

Legal Advisor to Lifeline SPAC I

Borenius Attorneys Ltd
Eteläesplanadi 2
FI-00130 Helsinki, Finland

Legal Advisor to the Joint Financial Advisors

Krogerus Attorneys Ltd
Fabianinkatu 9
FI-00130 Helsinki, Finland

Auditor of Lifeline SPAC I

KPMG Oy Ab
Töölönlahdenkatu 3 A
FI-00100 Helsinki, Finland

Auditor of Canatu

Ernst & Young Oy
Korkeavuorenkatu 32-34
FI-00130 Helsinki, Finland

Legal Advisor to Canatu in relation to the Transaction

Avance Attorneys Ltd
Mannerheimintie 20 A
FI-00100 Helsinki, Finland

Certified Adviser of the Combined Company

Carnegie Investment Bank AB (publ)
Regeringsgatan 56
SE-103 38 Stockholm, Sweden

CERTAIN MATTERS

Forward-Looking Statements

The Company Description includes forward-looking statements about, among other things, present views and expectations of Lifeline SPAC I's Management Team on the Combined Company's results, financial position, business strategy and plans and goals for future operations and objectives. Such statements are presented in "*Lifeline SPAC I, Canatu and the Transaction in Brief*", "*Risk Factors*", "*Information on the Combined Company*", "*Information on Lifeline SPAC I*", "*Information on Canatu*" and elsewhere in the Company Description.

Forward-looking statements, such as certain financial goals that Lifeline SPAC I and Canatu have set for the Combined Company, pertain to both Lifeline SPAC I and Canatu, and the sectors and industries in which they operate. Statements containing expressions "aim", "anticipate", "assume", "believe", "come", "continue", "could", "estimate", "expect", "intend", "may", "plan", "predict", "seek", "target", "will", or other similar expressions are indented to identify forward-looking statements.

All forward-looking statements in the Company Description reflect the present views of the Management Team of Lifeline SPAC I of future events, and involve risks, uncertainties and assumptions concerning Lifeline SPAC I's and Canatu's business operations, results, financial position, growth strategy and liquidity. Such risks and factors of uncertainty are described, for example, in section "*Risk Factors*", which should be read together with other cautionary statements in the Company Description. These forward-looking statements apply only to the situation on the date of the Company Description, and the Combined Company's actual business operations, results, financial position and liquidity could differ materially from those indicated in the forward-looking statements. Moreover, even if the results of the Combined Company's operations, financial position and liquidity, as well as development in the sectors where the Combined Company operates, were in line with the forward-looking statements presented in the Company Description, the results and development are not necessarily indicative of the mentioned results and development of any future periods.

Unless otherwise required by the applicable First North marketplace rules, Lifeline SPAC I will not update or re-evaluate the forward-looking statements in the Company Description based on new information, future events or other factors. Lifeline SPAC I is required to amend the Company Description if there have been material changes or if material new information occurs. Lifeline SPAC I is also required to monitor if there are any changes to the statements made in the Company Description. After the Listing, the Combined Company will be subject to disclosure requirements. The statements made in this section apply to all subsequent written or oral forward-looking statements related to the Combined Company or persons acting on behalf of it in their entirety. Persons considering investment should, prior to making an investment decision, carefully consider all factors mentioned in the Company Description due to which the Combined Company's actual business operations, results, financial position and liquidity may differ from expectations.

Information from Third-Party Sources

This Company Description contains statistics, data and other information relating to the markets, market size, market shares and market positions and other industry data pertaining to Canatu's business and markets. The information is typically derived from several sources, including Canatu's management's view based on a market study conducted during the spring and early summer of 2024 by a third-party international management consulting firm commissioned by Lifeline SPAC I (the "**Market Study**"). Where certain information contained in this Company Description has been derived from third party sources, such sources have been identified herein. Lifeline SPAC I confirms that such third-party information has been appropriately reproduced herein and that as far as Lifeline SPAC I is aware and is able to ascertain from information published by such third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading.

However, Lifeline SPAC I does not have access to all of the facts, assumptions and postulates underlying the market analyses, including the Market Study, or statistical information and economic indicators contained in sources of third-party information, and Lifeline SPAC I is unable to verify such information. Moreover, market studies are frequently based on information and assumptions that may not be exact or appropriate, and their methodology is by nature forward-looking and speculative. Therefore, changes in the postulates and their premises on which market studies are based could have a significant influence on the analyses and conclusions made.

The statements in this Company Description on market position and on other companies operating in the market area are based solely on the experiences, internal investigations and assessments of Lifeline SPAC I and Canatu, as well as the reports and surveys Lifeline SPAC I has commissioned, which Lifeline SPAC I deems reliable, including the Market Study. Lifeline SPAC I cannot, however, guarantee that any of these statements are accurate or give an accurate description of Canatu's position in its markets, and none of Lifeline SPAC I's internal investigations or information has been verified using external sources independent of those commissioned by Lifeline SPAC I.

Unless otherwise identified, information in the Company Description related to the quantity of Shares and votes as well as shareholder's equity have been calculated based on information that was registered in the Trade Register at latest by the date of the Company Description.

Presentation of Financial and Certain Other Information

Historical Financial Information of Lifeline SPAC I

The historical financial information of Lifeline SPAC I included in this Company Description has been derived from Lifeline SPAC I's audited financial statements for the financial years ended 31 December 2023 and 31 December 2022 and for the period from 13 August to 31 December 2021 prepared in accordance with IFRS Accounting Standards as well as unaudited interim financial report as at and for the six months ended 30 June 2024 prepared in accordance with "IAS 34 – Interim Financial Reporting", including unaudited comparative financial information for the six months ended 30 June 2023, all of which are incorporated by reference into this Company Description.

Lifeline SPAC I's audited financial statements for the financial years ended 31 December 2023 and 31 December 2022 and for the period from 13 August to 31 December 2021 have been audited by Authorised Public Accountants KPMG Oy Ab, Authorised Public Accountant Turo Koila acting as the principal auditor for the period from 13 August to 31 December 2021 and Authorised Public Accountant Jussi Paski for the financial years ended 31 December 2023 and 31 December 2022. Lifeline SPAC I's Annual General Meeting held on 19 June 2024 elected KPMG Oy Ab as its auditor for the financial year ending 31 December 2024, with Jussi Paski, Authorised Public Accountant, as the principal auditor.

Historical Financial Information of Canatu

The historical financial information of Canatu included in this Company Description has been derived from Canatu's audited financial statements for the financial years ended 31 December 2023, 31 December 2022 and 31 December 2021 as well as Canatu's unaudited statements of cash flows for the financial years ended 31 December 2023, 31 December 2022 and 31 December 2021 that are prepared for this Company Description and are not included in financial statements. Canatu's audited financial statements for the financial years ended 31 December 2023, 31 December 2022 and 31 December 2021 have been prepared in accordance with FAS. The financial statements of Canatu are attached to this Company Description as Appendix C.

Canatu's audited financial statements for the financial years ended 31 December 2023, 31 December 2022 and 31 December 2021 have been audited by Authorised Public Accountants Ernst & Young Oy, Authorised Public Accountant Harri Kauttonen acting as the principal auditor.

Pro Forma Information

The Pro Forma Information is presented for illustrative purposes only to give effect to the Transaction between Lifeline SPAC I and Canatu and the Listing of the Combined Company as if the Transaction and the Listing had been completed at an earlier date. The pro forma income statement for the year ended 31 December 2023 is presented to give effect to the Transaction and the Listing as if those had occurred on 1 January 2023. The pro forma balance sheet as at 31 December 2023 is presented to give effect to the Transaction and the Listing as if those had occurred on that date. The Pro Forma Information is unaudited.

The Pro Forma Information has been compiled on a basis consistent with Annex 20 to the Commission Delegated Regulation (EU) 2019/980, and with the accounting principles to be applied by the Combined Company in its consolidated financial statements following the Transaction and Listing to be prepared in accordance with Finnish Accounting Standards.

The Pro Forma Information reflects adjustments to the historical financial information to give pro forma effect to events that are directly attributable to the Transaction and the Listing and are factually supportable. The pro forma adjustments include certain assumptions related to the valuation of the Consideration Shares, potential amount of additional purchase price, possible cash redemptions of Lifeline SPAC I's series A shares, accounting policy alignments and other events related to the Transaction and the Listing that the management believes are reasonable under the circumstances. Considering the fact that the final accounting impact of the Transaction and the Listing can only be determined at the date of the completion of the Transaction and the Listing, the pro forma adjustments presented in this Company Description are preliminary and based on information available at this time and accordingly, the Pro Forma Information is subject to change. There is no assurance that the assumptions used in the preparation of the Pro Forma Information will prove to be correct and the final impact of the Transaction and the Listing at the date of the Listing on the financial information of Lifeline SPAC I may materially differ from the pro forma adjustments reflected in the Pro Forma Information.

The hypothetical financial position and results included in the Pro Forma Information may differ from the Combined Company's actual financial position and results. Further, the Pro Forma Information does not purport to project the financial position or results of the Combined Company as of any future date. The Pro Forma Information does not include all information required to be included in financial statements prepared in accordance with Finnish Accounting Standards and it should be read together with the historical financial information of Lifeline SPAC I incorporated by reference into this Company Description and the historical financial information of Canatu attached to this Company Description as Appendix C. For further information, see sections "*Unaudited Pro Forma Financial Information*" and "*Risk Factors – Risks Related to the Transaction – The Unaudited Pro Forma Financial Information in this Company Description is presented for illustrative purposes only and may differ materially from the Combined Company's actual results of operations and financial position following the Transaction*".

Alternative Performance Measures

The Company Description includes certain alternative performance measures of Canatu's historical financial performance, financial position and cash flows, which, in accordance with the "*Alternative Performance Measures*" guidance issued by the European Securities and Markets Authority ("**ESMA**") are not accounting measures defined or specified in Finnish Accounting Standards, and therefore are considered as alternative performance measures (the "**Alternative Performance Measures**"). These Alternative Performance Measures are:

- Gross profit
- Gross profit %
- EBITDA
- EBITDA %
- Equity ratio %

Lifeline SPAC I presents the Alternative Performance Measures as additional information to Canatu's financial measures presented in the profit and loss account, balance sheet, and the appendix to financial statements, all prepared in accordance with Finnish Accounting Standards. In Lifeline SPAC I's view, Alternative Performance Measures provide management, investors, securities market analysts, and other parties with relevant and useful additional information on the results of operations and financial position of Canatu. For further information on definitions and reconciliation of Alternative Performance Measures, see section "*Selected Financial Information of Canatu*".

Alternative Performance Measures should not be viewed in isolation or as a substitute to the FAS financial measures and they are not accounting measures defined or specified in FAS. All companies do not calculate Alternative Performance Measures in a uniform way, and therefore, the Alternative Performance Measures presented in this Company Description may not be comparable with similarly named measures presented by other companies.

Unless otherwise stated, the Alternative Performance Measures are unaudited.

The exact definitions of these Alternative Performance Measures that are not based on Finnish Accounting Standards and the reason why Lifeline SPAC I believes that the use of each Alternative Performance Measure is beneficial are presented under "*Selected Financial Information of Canatu – Financial Key Figures*".

Roundings

Certain figures in the Company Description, including financial data, have been rounded. Therefore the sums of table columns and rows may not necessarily precisely correspond to the figures given as row or column totals. In addition, certain percentages reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

Availability of the Finnish Company Description and the Company Description

Information about the Finnish Company Description will be disclosed in a stock exchange release. The Finnish Company Description will be available on or about 5 August 2024 on the website of Lifeline SPAC I at https://www.lifeline-spac1.com/fi/lifeline-spac-in-ja-canatun-yhdistyminen/. In addition, the Finnish Company Description will be available as a printed copy on or about 5 August 2024 during normal office hours at the registered head offices of Lifeline SPAC I at Pursimiehenkatu 26 C, FI-00150 Helsinki, Finland. After the EGM, the Company Description will also be available on the website of the Combined Company.

This Company Description will be available on Lifeline SPAC I's website at https://www.lifeline-spac1.com/combination-of-lifeline-spac-i-and-canatu/ on or about 5 August 2024. After the EGM, the Company Description will also be available on the website of the Combined Company.

No Incorporation of Website Information

The Company Description, documents incorporated by reference into it and possible supplements of the Company Description, which will become part of the Company Description, will be published on the website of Lifeline SPAC I, and, after the EGM, on the Combined Company's website. The other contents of Lifeline SPAC I's, Canatu's or the Combined Company's websites or any other website do not form a part of the Company Description. Prospective investors should not rely on such information in making their decision to invest in the Listing Shares.

Information Available in the Future

The Combined Company will publish its first financial statements release for the financial year ending on 31 December 2024 on or about 28 March 2025. Thereafter, the Combined Company will publish a half-year report twice a year. The Combined Company's first Annual General Meeting will be held on or about 15 May 2025.

USE OF PROCEEDS RAISED IN THE INITIAL LISTING

In its Initial Listing on 14 October 2021, Lifeline SPAC I raised gross proceeds of EUR 100 million, which were deposited on an escrow account. As a result of accrued interest income, the funds on the escrow account amounted to EUR 105,584,211.36 on 30 June 2024. Subject to the approval of the Transaction in the EGM, the funds on the escrow account will be released to the Combined Company, and hence, depending on possible redemption requests by the holders of Lifeline SPAC I's series A shares, the Combined Company will have, in gross terms (before, for example, transactional taxes and certain transaction costs), a minimum of over EUR 70 million and a maximum of over EUR 100 million of new capital in use (taking into account the irrevocable undertakings from the shareholders of Lifeline SPAC I to vote in favour of the Transaction, see "*The Transaction and the Transaction Agreement – Shareholder Support*").

The Combined Company plans to employ the new capital to potential investments into semiconductor, automotive and medical diagnostics, and to strengthening its balance sheet in general. No investment decisions have been made, and the management and Board of Directors of the Combined Company will evaluate potential investments based on following criteria: (i) existing customer support; (ii) limited technology risk; and (iii) return on invested capital (ROIC) potential being "high". Concerning the currently foreseeable investments, the Combined Company initially sees potential to deploy the new capital to semiconductor in the amount of EUR 20–25 million in total during 2025–2026, to automotive EUR 10–15 million in total during 2025–2027 and to medical diagnostics EUR 5–10 million in total from 2025 onwards. Potential investment targets for the new capital include, for example, reactor technology, enhanced automation, talent acquisition, product diversification, regulatory approvals in medical diagnostics, as well as a potential second manufacturing location.

IMPORTANT DATES

Signing of the Transaction Agreement and announcement of the Transaction	5 July 2024
Notice to Lifeline SPAC I's EGM	2 August 2024
The Finnish Company Description available	5 August 2024
Registration to Lifeline SPAC I's EGM and advance voting begin	5 August 2024 at 10 a.m. (Finnish time)
Record date of Lifeline SPAC I's EGM	13 August 2024
Registration to Lifeline SPAC I's EGM and advance voting ends	19 August 2024 at 4 p.m. (Finnish time)
The last day for the holders of nominee-registered shares to become registered in the temporary shareholders' register maintained by Euroclear Finland in order to obtain the right to participate in Lifeline SPAC I's EGM	20 August 2024 at 10 a.m.
Lifeline SPAC I's EGM	23 August 2024 at 2 p.m. (Finnish time)
The last day for Lifeline SPAC I's shareholders who have voted against the Transaction at Lifeline SPAC I's EGM resolving on the Transaction to notify Lifeline SPAC I's Board of Directors that they wish to have all their series A shares redeemed	5 September 2024
Completion of the Transaction (provided that the conditions for the completion of the Transaction are fulfilled)	16 September 2024
Lifeline SPAC I carries out the redemption of shares of such Lifeline SPAC I's shareholders who have requested for redemption	16 September 2024 (estimate)
Planned date for the Listing (provided that the Transaction is completed on 16 September 2024)	17 September 2024
Trading in the Listing Shares on the First North marketplace commences	17 September 2024 (estimate)
Lifeline SPAC I pays the redemption consideration for such Lifeline SPAC I's shareholders who have requested for redemption	18 September 2024
Record date for the Investor Warrants	23 September 2024
Subscription period for the series A shares to be subscribed for with the Investor Warrants commences	17 October 2024
The Consideration Shares are converted into new series A shares in the Combined Company	15 November 2024
Trading in the new Consideration Shares that have been converted into new series A shares in the Combined Company on the First North marketplace commences	20 November 2024 (estimate)
The Combined Company publishes its first financial statements release for the financial year ending on 31 December 2024	28 March 2025 (estimate)
The Combined Company's first Annual General Meeting	15 May 2025 (estimate)

THE TRANSACTION AND THE TRANSACTION AGREEMENT

The following provides an overview of the Transaction and the Combined Company. The overview is based on, among others, the assumption that the Transaction will be completed in the manner and within the timetable contemplated in this Company Description. However, there are no guarantees that the Transaction will be completed or that Lifeline SPAC I and Canatu's business operations will be combined in the manner and within the timetable laid out in this Company Description, either of which could result in any statement on the Combined Company below being unfulfilled. For further information, see section "Risk Factors – Risks Related to the Transaction".

Background for the Transaction

On 5 July 2024, the Board of Directors of Lifeline SPAC I and the current shareholders and option rights holders of Canatu (the "**Sellers**") entered into a share exchange agreement (the "**Transaction Agreement**") pursuant to which, among other things, the Sellers agreed to transfer their shares in Canatu to Lifeline SPAC I and cancel their option rights in Canatu and, in consideration for such shares and option rights in Canatu, to receive 21,791,821 new series C shares (the "**Consideration Shares**") and 1 676 752 new, fully vested option rights entitling to new series A shares in Lifeline SPAC I (the "**Consideration Options**") (the "**Transaction**"). In addition, Lifeline SPAC I and the Sellers agreed on an additional purchase price (earn-out) of up to 6,499,831 new series A shares in the Combined Company, payable based on the share price performance of the Combined Company (for further information, see section "– *Share Consideration – Earn-out*" below). In addition, in connection with the Transaction, Lifeline SPAC I will establish a new option program ("**Option Plan 2024-II**"), from which holders of option rights in Canatu will receive a total of 500,074 new option rights entitling to new series A shares in the Combined Company. The option rights will vest based on the development of the share price of the Combined Company (for further information, see section "– *Share exchange – Option Plan 2024-II*" below). As a result of the Transaction, Canatu and its subsidiary will become wholly owned by Lifeline SPAC I. A summary of the Transaction Agreement is presented below in section "– *Transaction Agreement*".

The rationale for the Transaction is described in section "*Information on the Combined Company*".

Overview of the Transaction

The Transaction will be completed through a share exchange agreement in which all shares in Canatu will be transferred to Lifeline SPAC I against a share consideration in a directed share issue to the Sellers. As a result of the completion of the Transaction, the business operations of Canatu will be transferred in their entirety to Lifeline SPAC I. After the completion of the Transaction, Lifeline SPAC I's business operations will only consist of those of Canatu. In addition, the SPAC structure of Lifeline SPAC I will be dismantled, and the proceeds raised by Lifeline SPAC I in its Initial Listing in October 2021, which are deposited in an escrow account, will be released for the Combined Company. In connection with the Transaction, Lifeline SPAC I intends to apply for the Combined Company's series A shares (the "**Listing Shares**") to be listed on the First North marketplace (the "**Listing**").

In the Transaction, the current shareholders of Canatu will receive new series C shares in Lifeline SPAC I, option rights in Canatu of the current option rights holders will be cancelled and they will receive new option rights entitling to new series A shares in Lifeline SPAC I. The Consideration Shares will be automatically converted into new series A shares in the Combined Company 60 days after the completion of the Transaction and applied to be listed on the First North marketplace as new Listing Shares. The Consideration Shares will be issued as series C shares and the Consideration Options may not be exercised to subscribe for series A shares before the record date of the Investor Warrants so that the Sellers shall not have the right to subscribe for the Investor Warrants to be issued in connection with the completion of the Transaction. The creation of a new share series is subject to a resolution of Lifeline SPAC I's EGM to be held on 23 August 2024 and to the amendment to its Articles of Association. The number of Consideration Shares to be issued is 21,791,821 series C shares. The series C shares shall have the same rights and obligations as the series A shares excluding the redemption right and right to subscribe for the Investor Warrants. In addition, Lifeline SPAC I and the Sellers have agreed on an additional purchase price (earn-out) of up to 6,499,831 new series A shares, may become payable based on the share price performance of the Combined Company (for further information, see section "– *Share Consideration – Earn-out*" below). Moreover, in connection with the Transaction, Lifeline SPAC I will establish a new option program Option Plan 2024-II, from which holders of option rights in Canatu will receive a total of 500,074 new option rights entitling to new series A shares in the Combined Company. The option rights of Option Plan 2024-II will vest based on the development of the share price of the Combined Company (for further information, see section "*– Share Consideration – Option Plan 2024-II*" below).

Lifeline SPAC I's Board of Directors has on 2 August 2024 convened the EGM to be held on 23 August 2024 to approve the Transaction, to dismantle the SPAC structure of Lifeline SPAC I and to delist the series A shares in Lifeline SPAC I from the SPAC segment of the regulated market of Nasdaq Helsinki as well as to list the series A shares of the Combined Company (the "**Listing Shares**") on the First North marketplace. The completion of the Transaction is subject to, among other things, the shareholders of Lifeline SPAC I and Canatu approving the Transaction and fulfilment or waiver of the conditions precedent in the Transaction Agreement. The conditions precedent of the Transaction Agreement are described below in section "*– Conditions Precedent of the Transaction Agreement*".

The date of the completion of the Transaction is 16 September 2024 and the date of the Listing is 17 September 2024, provided that the conditions precedent of the Transaction stipulated in the Transaction Agreement are fulfilled or waived. The date of the Listing is subject to change and may be an earlier or later date. The date of the Listing may change, for example, if the fulfilment or waiver of conditions precedent of the Transaction Agreement takes less or more time, other matters request more time or if the Sellers and the Board of Directors of Lifeline SPAC I agree to move the date of the Listing and registering of the Consideration Shares.

Shareholder Support

Certain large shareholders of Lifeline SPAC I, *i.e.*, Ahlstrom Invest B.V., certain investment funds of SP-Fund Management Company Ltd and WIP Asset Management Ltd, Mandatum Life Insurance Company Limited, G.W. Sohlberg Corporation and Varma Mutual Pension Insurance Company, and certain other shareholders, including the members of Lifeline SPAC I's Board of Directors, Management Team and Sponsor Committee, together representing as at the date of this Company Description approximately 72 per cent of the Shares and votes in Lifeline SPAC I, have irrevocably undertaken to support and vote in favour of the Transaction at Lifeline SPAC I's EGM resolving on the Transaction.

Financing

The Transaction will be carried out by a directed share issue. The proceeds raised by Lifeline SPAC I in its Initial Listing that are deposited in the escrow account will be used to finance the growth of the Combined Company.

Transaction Agreement

This summary is not an exhaustive presentation of the terms and conditions of the Transaction Agreement. The summary aims to describe the terms and conditions of the Transaction Agreement to the extent that such terms and conditions may materially affect a shareholder's assessment thereof. Nothing in the Transaction Agreement (or this summary thereof) confers any rights or obligations on any person other than Lifeline SPAC I and Canatu.

General

On 5 July 2024, the Board of Directors of Lifeline SPAC I and the Sellers signed the Transaction Agreement concerning the purchase of the shares in Canatu. The Transaction will be completed through a share consideration. As a result of the completion of the Transaction, Canatu will become a wholly-owned subsidiary of Lifeline SPAC I and the Combined Company will conduct Canatu's business operations. More information on the conditions precedent of the Transaction is presented in section "*– Conditions Precedent of the Transaction Agreement*".

Representations, Warranties and Undertakings

Lifeline SPAC I, the Sellers and Canatu have given each other certain customary representations and warranties related to, inter alia authority to enter into the Transaction Agreement, the shares in Lifeline SPAC I and Canatu, due incorporation, Articles of Association and Trade Register extracts, corporate records and documents, accounts, taxes, assets, real property and premises, agreements, compliance with applicable laws, legal proceedings, employees, information technology, ownership of intellectual property, insurance, data protection and privacy and the information disclosed to the other party. The representations and warranties are in force until the completion of the Transaction.

Furthermore, the Transaction Agreement contains certain additional undertakings, such as non-compete and non-solicitation clauses for the Sellers, the Sellers' obligation to cause certain directors to resign from their positions, mutual agreement not to disclose the Transaction Agreement, the Sellers' obligation to cause Canatu to conduct the business in the ordinary course of business, the termination of the shareholders' agreement relating to Canatu, termination of Canatu's option programs, and Lifeline SPAC I's obligation to convene the EGM to resolve on the Transaction. The Sellers' liability for breaches of the warranties under Transaction Agreement shall be divided between the Sellers pro rata based on their right to receive consideration in connection with the Transaction.

For further information on the organisation and governance structure of the Combined Company, see sections "*Information on the Combined Company – Board of Directors, Management and Auditors*" and "*Information on the Combined Company – Corporate Governance and Listing of the Listing Shares*".

Termination

If the consummation of the Transaction has not taken place by 15 October 2024, either Lifeline SPAC I or the Sellers jointly may terminate the Transaction Agreement, provided, however, that the failure for the consummation of the Transaction to take place is not due to a breach of the Transaction Agreement by such terminating party. In case of such rescission, a terminating party is not entitled to any indemnification due to such termination under the Transaction Agreement or otherwise under law provided that the failure for the consummation of the Transaction to take place is not due to a breach of the Transaction Agreement by the other party. Lifeline SPAC I has the right to extend the term of the Transaction Agreement until 15 December 2024 at the latest, by which time the Transaction must be completed, if permitted by the rules and regulations governing Lifeline SPAC and if the other conditions set out in the Transaction Agreement are met.

Costs and Expenses

Lifeline SPAC I and Canatu both bear their own costs and expenses relating to the Transaction. However, the portion of Transaction-related expenses exceeding EUR 500,000 will be taken into account in the purchase price as net debt.

Governing Law

The Transaction Agreement is governed by and construed in accordance with the laws of Finland without regard to its conflict of laws rules and principles or private international law, excluding the Finnish Sale of Goods Act (355/1987, as amended).

Amendments to the Articles of Association of Lifeline SPAC I

The Board of Directors of Lifeline SPAC I has on 2 August 2024 proposed to convene the EGM of Lifeline SPAC I on 23 August 2024. First, the Board of Directors proposes to the EGM that the last paragraph of Article 5 of the Articles of Association (Redemption of series A shares) is amended so that the shares would be redeemed within 3 months from the day of the EGM approving the Transaction. The purpose of the amendment is to enable the expedited redemption of shares. Second, The Board of Directors proposes certain amendments to the Articles of Association of Lifeline SPAC I, which are conditional upon the completion of the Transaction. The most significant amendments include changing the company name into Canatu Oyj (in English Canatu Plc) (Article 1), changing the Combined Company's field of business (Article 3), removing the redeemability of series A shares (Article 5), creating a new share class (series C shares), including the conversion clause from series C shares to series A shares (new Article 6), removing the liquidation clause (Article 19) and removing all references relating to the acquisition.

Board of Directors of the Combined Company

According to the Articles of Association of the Combined Company as proposed by Lifeline SPAC I's Board of Directors to the EGM of Lifeline SPAC I, the Combined Company shall have a Board of Directors consisting of at least five and at most eight ordinary members. The Sponsor Representatives (as defined below) are included in the count of ordinary members of the Board of Directors, and the General Meeting appoints the other three to six ordinary members. The number of members of the Board of Directors of the Combined

Company following the completion of the Transaction shall be confirmed and the members of the Board of Directors shall be elected by the EGM of Lifeline SPAC I resolving on the Transaction. Both decisions shall be conditional upon the completion of the Transaction. The term of such members of the Board of Directors shall commence from the completion of the Transaction and shall expire at the end of the first Annual General Meeting of the Combined Company.

Lifeline SPAC I proposes to the EGM the establishment of a shareholders' nomination board. The intention of Lifeline SPAC I and subsequently the Combined Company is that the Board members elected at the EGM would continue to be elected to the Board of Directors of the Combined Company at least until the Annual General Meeting in 2027, to oversee the execution of the Combined Company's strategy (for further information on the Combined Company's strategy, see section "*Information on Canatu – Business of Canatu – Business Strategy*"). In addition, Lifeline SPAC I's intention is that the shareholders' nomination board would explore opportunities to increase the diversity of the Board of Directors before the Annual General Meeting in 2025.

According to Lifeline SPAC I's currently valid Articles of Association and the proposed Articles of Association of the Combined Company, the Sponsors and Lifeline SPAC I's CEO Tuomo Vähäpassi shall have the right upon written notice to appoint two sponsor representatives to the Combined Company's Board of Directors until 24 months have passed since the completion of the Transaction (the member of the Board of Directors appointed under Article 11 is called a "**Sponsor Representative**"). At Lifeline SPAC I's EGM to be held on 23 August 2023, the Sponsors and Tuomo Vähäpassi intend to appoint Timo Ahopelto and Tuomo Vähäpassi as the Sponsor Representatives in the Combined Company's Board of Directors.

Pursuant to the Articles of Association, the General Meeting appoints the other members of the Board of Directors. Lifeline SPAC I's Board of Directors, after consultation with Canatu, proposes to the EGM of Lifeline SPAC I resolving on the Transaction that the Board of Directors of the Combined Company shall consist of seven (7) members and that, in addition to the Sponsor Representatives, Ari Ahola, Anthony Cannestra, Thomas P. Lantzsch, Scott Sears and Kai Seikku would be elected as members of the Board of Directors of the Combined Company. Timo Ahopelto would be conditionally elected as the Chair and Ari Ahola would be conditionally elected as the Vice Chair of the Board of Directors of the Combined Company. The term of the members of the Board of Directors would commence upon the completion of the Transaction and expire at the end of the first Annual General Meeting of the Combined Company.

Remuneration of the Board of Directors of the Combined Company

Lifeline SPAC I's Board of Directors proposes, after consultation with Canatu, to the EGM of Lifeline SPAC I resolving on the Transaction that at the completion of the Transaction, conditionally on the completion, the members of the Board of Directors be paid annual remuneration as follows:

- EUR 80,000 for the Chair of the Board;
- EUR 48,000 for the Vice Chair of the Board; and
- EUR 44,000 for each ordinary member of the Board.

The annual remuneration will be paid to the Board member in proportion to the length of their term, so that for each month commencing until the next Annual General Meeting, an amount equal to the annual remuneration divided by twelve (12) shall accrue. The possibility of partially paying the annual remuneration of the Board members in company shares or establishing a share-based incentive program for the Board members will be reviewed by the next Annual General Meeting.

Further, the Board of Directors proposes that the travel expenses and other costs of the members of the Board of Directors directly related to board work are paid in accordance with the company's policy in force from time to time and that each member of the Board of Directors is paid a separate travel fee of EUR 1,000 in addition to travel expenses for meetings held outside their country of residence.

Share Consideration

The fixed purchase price payable by Lifeline SPAC I to the Sellers for the shares and option rights of Canatu will be paid in its entirety by 21,791,821 Lifeline SPAC I's new series C shares in a directed share issue (the "**Consideration Shares**") and 1,676,752 new, fully vested option rights entitling to series A shares of Lifeline SPAC I (the "**Consideration Options**"), which implies an equity value of EUR 234.7 million and an estimated enterprise value of EUR 230 million for Canatu. The conversion ratio of the Consideration Shares has been determined based on Lifeline SPAC I's and Canatu's current value. The proposed Articles of Association of the Combined Company, attached to this Company Description as Appendix A, include a conversion clause under which Series C shares will be converted automatically with the ratio 1:1 into series A shares within 60 days of the completion of the Transaction. The Consideration Options may not be exercised to subscribe for series A shares before the record date of the Investor Warrants. The Consideration Shares and the Consideration Options therefore do not entitle their holders to the Investor Warrants.

Earn-out

Lifeline SPAC I and the Sellers have agreed on an additional purchase price in connection with the Transaction. If the Combined Company's volume-weighted average share price exceeds EUR 14.00 for any ten trading days (which for the sake of clarity need not be consecutive) in any period of 30 trading days before 31 December 2027, 1,857,093 new series A shares in the Combined Company will be offered to the Sellers for subscription without payment ("**Earn-Out Payment I**"). If the Combined Company's volume-weighted average share price exceeds EUR 18.00 for any ten trading days (which for the sake of clarity need not be consecutive) in any period of 30 trading days before 31 December 2028, 1,857,093 new series A shares in the Combined Company will be offered to the Sellers for subscription without payment in addition to Earn-Out Payment I ("**Earn-Out Payment II**"). If the Combined Company's volume-weighted average share price exceeds EUR 22.00 for any ten trading days (which for the sake of clarity need not be consecutive) in any period of 30 trading days before 31 December 2028, 2,785,645 new series A shares in the Combined Company will be offered to the Sellers for subscription without payment in addition to Earn-Out Payment I and Earn-Out Payment II ("**Earn-Out Payment III**", together with Earn-Out Payment I and Earn-Out Payment II, the "**Earn-Out Payments**"). The Earn-Out Payments would be offered for subscription to those Sellers who held shares in Canatu in connection with the completion of the Transaction. The maximum additional purchase price is therefore 6,499,831 new series A shares in the Combined Company.

Option Plan 2024-II

In connection with the Transaction, Lifeline SPAC I will establish a new option program ("**Option Plan 2024-II**"), from which holders of option rights in Canatu will receive a total of 500,074 new option rights entitling to new series A shares in the Combined Company. 142,874 option rights will vest if the Combined Company's volume-weighted average share price exceeds EUR 14.00 for any ten trading days (which for the sake of clarity need not be consecutive) in any period of 30 trading days before 31 December 2027. 142,874 option rights will vest if the Combined Company's volume weighted average share price exceeds EUR 18.00 for any ten trading days (which for the sake of clarity need not be consecutive) in any period of 30 trading days before 31 December 2028. 214,326 option rights will vest if the Combined Company's volume-weighted average share price exceeds EUR 22.00 for any ten trading days (which for the sake of clarity need not be consecutive) in any period of 30 trading days before 31 December 2028. Every vested option right in Option Plan 2024-II entitles its holder to subscribe for one new Series A share in the Combined Company. Together the additional purchase price of 6,499,831 Series A shares in the Combined Company and 500,074 option rights in Option Plan 2024-II represent a total maximum of 6,999,905 new Series A shares in the Combined Company. However, no series A shares may be subscribed for under Option Plan 2024-II before 12 months have passed from the completion of the Transaction.

Secondary Sale

In connection with the Transaction, certain Sellers have elected to sell a part of their shares in Canatu to certain investors (the "**Secondary Tranche Investors**") for a cash consideration immediately prior to the completion of the Transaction conditional on the completion of the Transaction. The shares correspond to approximately EUR 49.7 million, based on fixed enterprise value for Canatu of EUR 230 million (the "**Secondary Tranche**"). The Secondary Tranche transactions have been signed or otherwise committed to on 5 July 2024 and they will be consummated prior to the completion of the Transaction. In connection with this Transaction, the Secondary Tranche Investors will become Sellers and will be entitled to the consideration as set forth in the Transaction Agreement, including the Consideration Shares and the Earn-Out Payments.

The Secondary Tranche Investors include leading Finnish institutional and technology investors, such as Danske Capital, First Fellow Ltd, Elo Mutual Pension Insurance Company, Hannu Turunen, Ilmarinen Mutual Pension Insurance Company, Kirva Holding Oy, Mandatum Asset Management Ltd, Tech Consulting Group TCG Oy, Varma Mutual Pension Insurance Company and Veikko Laine Oy. The selling Canatu shareholders comprise of both industrial and institutional investors as well as individuals, many of which have been investors in Canatu for more than 10 years. Some of the largest shareholders in Canatu have chosen not to participate at all in the Secondary Tranche and have elected to exchange all of their shares in Canatu to Consideration Shares. All Canatu shareholders and employees that currently hold shares or option rights in Canatu are at least partially participating in the Transaction and will receive Consideration Shares, Consideration Options or option rights from the Option Plan 2024-II. The ability of Canatu's management and certain key employees to sell has been restricted to 30 per cent of their total holding of Canatu shares or option rights at the time of the signing of the Transaction.

Lock-ups

In the Transaction Agreement, the Sellers have committed to customary transfer restrictions (with the exception of the Secondary Tranche Investors who have committed to such transfer restrictions only for 50 per cent of their Consideration Shares) subject to certain exceptions, concerning the Consideration Shares and option rights, which will remain in force for 30 months after the completion of the Transaction with respect to the members of the management team and key employees, and for 180 days with respect to the rest of the Sellers. The exceptions to the transfer restriction include (i) accepting a bona fide third-party tender offer, exchange offer, or merger or any other similar arrangement with corresponding effect, the terms of which are extended to all holders of the Combined Company's shares; (ii) selling or otherwise disposing of shares in the Combined Company or any securities convertible into or exercisable or exchangeable for shares in the Combined Company pursuant to any pro rata redemption or share buyback offer by the Combined Company which is made on identical terms to all holders of shares in the Combined Company; and (iii) transferring shares in the Combined Company or any securities convertible into or exercisable or exchangeable for shares in the Combined Company where a disposal is required by law or by any competent authority or by order of a court of competent jurisdiction.

The new series A shares issued in Earn-Out Payments are subject to the same lock-up described above. However, the lock-up period is calculated from the completion of the Transaction with respect to the Earn-Out Payments, therefore Earn-Out Payments may be issued free of any transfer restrictions, depending on the date of the issuance of the Earn-Out Payments.

For information on the lock-ups of Lifeline SPAC I's members of the Board of Directors, the Management Team and the Sponsor Committee, see "*Information on Lifeline SPAC I – Material Agreements – Lock-Up Agreements*").

Share Capital of the Combined Company

On 29 September 2021, the share capital of Lifeline SPAC I was EUR 80,000. The share capital has not changed between 29 September 2021 and the date of this Company Description, and the share capital is not planned to be increased in connection with the Transaction. Therefore, the share capital of the Combined Company is EUR 80,000.

Conditions Precedent of the Transaction Agreement

The Sellers' obligation to consummate the Transaction is conditional upon the fulfilment of each of the following conditions (to the extent not expressly waived by the Sellers):

a) necessary authorisations, approvals and consents from required authorities for the lawful and valid execution of the Transaction have been obtained;

b) Nasdaq Helsinki having approved the listing of the Listing Shares on First North marketplace and the delisting of Lifeline SPAC I's series A shares from the SPAC-segment of the regulated market of Nasdaq Helsinki;

c) no competent court or other government body or public authority has issued an order in effect restraining or prohibiting the consummation of the Transaction;

d) the EGM of Lifeline SPAC I has

    a. approved the Transaction,
    b. resolved on issuance of the Consideration Shares and Consideration Options, or alternatively authorised the Board of Directors of Lifeline SPAC I to resolve on such issuance,

c. authorised the Board of Directors of Lifeline SPAC I to resolve on the issuance of the Earn-Out Payments,
d. established Option Plan 2024-II,
e. resolved on, or authorised the Board of Directors of Lifeline SPAC I to resolve on, the creation of new option pool or share plan for the benefit of the employees in Canatu,
f. elected new members of the Board of Directors,
g. amended the Articles of Association of Lifeline SPAC I, and
h. resolved on other matters required for the completion of the Transaction;

e) the conditions of the irrevocable undertakings given by shareholders of Lifeline SPAC I relating to the EGM having been fulfilled;

f) aggregate redemption price payable for the series A shares in Lifeline SPAC I held by those shareholders of Lifeline SPAC I who have demanded redemption of their series A shares in accordance with item 5 of Lifeline SPAC I's current Articles of Association does not exceed EUR 43 million;

g) no material breach of warranties by Lifeline SPAC I having taken place, provided that Lifeline SPAC I shall have the right to cure such breach within 10 Business Days from the date that the Sellers became aware of such breach;

h) Lifeline SPAC I having performed in all material respects its obligations under the Transaction Agreement required to be performed by it prior to the completion of the Transaction pursuant to the terms of the Transaction Agreement, provided, that where a failure to so perform is capable of being cured, Lifeline SPAC I shall have the right to cure such failure within 10 Business Days from the occurrence thereof.

Lifeline SPAC I's obligation to consummate the Transaction is conditional upon the fulfilment of each of the following conditions (to the extent not expressly waived by Lifeline SPAC I):

a) necessary authorisations, approvals and consents from required authorities for the lawful and valid execution of the Transaction have been obtained by Lifeline SPAC I;

b) Nasdaq Helsinki having approved the listing of the Listing Shares on First North marketplace and the delisting of Lifeline SPAC I's series A shares from the SPAC-segment of the regulated market of Nasdaq Helsinki;

c) no competent court or other government body or public authority has issued an order in effect restraining or prohibiting the consummation of the Transaction;

d) the EGM of Lifeline SPAC I has

a. approved the Transaction, and
b. resolved on issuance of the Consideration Shares, or alternatively authorised the board of directors of Lifeline SPAC I to resolve on such issuance;

e) there not having occurred a material adverse effect in respect of Canatu;

f) the conditions of the irrevocable undertakings given by shareholders of Lifeline SPAC I relating to the EGM having been fulfilled;

g) no material breach of the warranties by Canatu or the Sellers resulting in loss in excess of EUR 5 million has taken place; provided that where a breach is capable of being cured, the Sellers and Canatu have the right to cure such breach within 10 Business Days from the date that Lifeline SPAC I notified the Sellers and Canatu of such breach, however, the loss resulting from such breach shall not be deemed cured to the extent the funds belonging to Canatu have been used to cure such breach;

h) certain change of control consents having been received from Canatu's contractual counterparties;

i) the Sellers having performed in all material respects their obligations under the Transaction Agreement required to be performed by them prior to the completion of the Transaction, pursuant to the terms of the Transaction Agreement provided that where a failure to so perform is capable of being cured, the Sellers shall have the right to cure such failure within 10 Business Days from the occurrence thereof.

Extraordinary General Meeting of Lifeline SPAC I Resolving on the Transaction

According to the Main Market Rulebook, before the Transaction can be completed, the Board of Directors must submit a proposal for the Transaction at a General Meeting, if the majority of the members of the Board of Directors who are independent of Lifeline SPAC I and its management have supported the completion of the Transaction. Approval of the Transaction at a General Meeting requires simple majority, *i.e.*, more than half of the votes cast at the meeting must be in favour of approving the Transaction, considering, however, that under the Finnish Companies Act, the issuing of the Consideration Shares requires the support of a qualified majority (i.e. at least two thirds of the votes cast and Shares represented at the general meeting).

The Board of Directors of Lifeline SPAC I has on 2 August 2024 proposed that the EGM of Lifeline SPAC I convened to be held on 23 August 2024 resolves on the Transaction. Prior to the convening of the EGM, the Board of Directors has unanimously approved the Transaction, and, therefore, the Transaction is approved by a majority of the members of the Board of Directors who are independent of Lifeline SPAC I and its management (Alain-Gabriel Courtines, Caterina Fake and Irena Goldenberg) in accordance with the Main Market Rulebook. In addition, the Board of Directors of Lifeline SPAC I has proposed that the EGM resolves on the amendment of the Articles of the Association, authorisation of the Board of Directors to resolve on the issuance of new shares as well as on the issuance of special rights entitling to shares and on the authorisation of the Board of Directors to resolve on the repurchase of Lifeline SPAC I's own shares. For further information, see sections "*– Amendments to the Articles of Association of Lifeline SPAC I*" and "*Information on Lifeline SPAC I – Shares and Share Capital of Lifeline SPAC I – Authorisations*".

Shareholders in Lifeline SPAC I who vote against the Transaction will, under certain conditions, have the right to have their series A shares redeemed. For further information, see section "*– Right of Redemption at the Request of Shareholders Provided in the Articles of Association*" below.

Right to Participate

Right to Participate and Registration

Shareholders who are registered in the shareholders' register of Lifeline SPAC I held by Euroclear Finland on the record date of the EGM 13 August 2024 are entitled to participate in the EGM. A shareholder whose shares in Lifeline SPAC I are registered in their personal Finnish book-entry account is entered in the shareholders' register of Lifeline SPAC I.

Registration for the EGM starts on 5 August 2024 at 10:00 a.m. EEST. A shareholder who is entered in the shareholders' register of Lifeline SPAC I and who wishes to attend the EGM must register no later than 19 August 2024 at 4:00 p.m. EEST, by which time the registration must be received. Shareholders can register for the EGM:

a) Via Lifeline SPAC I's website at https://www.lifeline-spac1.com/corporate-governance/general-meeting-of-shareholders/extraordinary-general-meeting/

   Electronic registration requires strong identification of the shareholder or their legal representative or proxy with a Finnish, Swedish or Danish bank ID or mobile certificate.

b) By email

   Shareholders registering by email shall submit the registration form and advance voting form available on Lifeline SPAC I's website at https://www.lifeline-spac1.com/corporate-governance/general-meeting-of-shareholders/extraordinary-general-meeting/ or equivalent information to egm@innovatics.fi.

c) By mail

Shareholders registering by mail shall submit the registration form and advance voting form available on Lifeline SPAC I's website https://www.lifeline-spac1.com/corporate-governance/general-meeting-of-shareholders/extraordinary-general-meeting/ or equivalent information to Innovatics Oy, General Meeting / Lifeline SPAC I Plc, Ratamestarinkatu 13 A, FI-00520 Helsinki.

When registering, shareholders must provide the requested information, such as the shareholder's name, date of birth or business ID, contact details and the name of any assistant or proxy representative and the proxy representative's date of birth. The personal data provided to Lifeline SPAC I by shareholders will only be used in connection with the EGM and the processing of the necessary registrations related thereto.

The shareholder, their representative or proxy representative must, where necessary, be able to prove their identity and/or right of representation at the meeting venue.

Further information on registration and advance voting is available by telephone during the registration period of the EGM by calling Innovatics Oy at +358 10 2818 909 on weekdays from 9:00 a.m. to 12:00 p.m. EEST and from 1:00 p.m. until 4:00 p.m. EEST.

Holders of Nominee-registered Shares

Holders of nominee-registered shares are entitled to participate in the EGM on the basis of the shares that would entitle them to, on the record date of the EGM, *i.e.*, on 13 August 2024, be entered in the shareholders' register held by Euroclear Finland. Participation also requires that the shareholder is temporarily entered in the shareholders' register held by Euroclear Finland on the basis of such shares by 20 August 2024 by 10:00 a.m. EEST at the latest. As regards nominee-registered shares, this constitutes due registration for the EGM. Changes in shareholding after the record date of the EGM do not affect the right to participate in the EGM or the number of votes held by a shareholder.

Holders of nominee-registered shares are advised to request well in advance the necessary instructions regarding temporary registration in the shareholders' register, the issuing of proxy documents and voting instructions and registration for the EGM and advance voting from their custodian bank. The account manager of the custodian bank shall temporarily register the holder of nominee-registered shares who wishes to attend the EGM in the shareholders' register of Lifeline SPAC I by the aforementioned date and time at the latest and, if necessary, arrange for advance voting on behalf of the holder of nominee-registered shares before the end of the registration period for holders of nominee-registered shares. Further information is available on Lifeline SPAC I's website at https://www.lifeline-spac1.com/corporate-governance/general-meeting-of-shareholders/extraordinary-general-meeting/.

Proxy Representatives and Proxy Documents

Shareholders may attend the EGM and exercise their rights at the EGM through a proxy representative. A shareholder's proxy representative may also elect to vote in advance if they so wish. Proxy representatives must use strong electronic identification to identify themselves in the electronic registration service and the advance voting, after which they can register and vote in advance on behalf of the shareholder that they represent. The shareholder's proxy representative must present a dated proxy document or otherwise prove in a reliable manner that they are entitled to represent the shareholder at the EGM. The right of representation may be proved by using the suomi.fi e-authorisations service available in the electronic registration service.

If a shareholder participates in the EGM through several proxy representatives representing the shareholder with shares held in different securities accounts, the shares on the basis of which each proxy representative represents the shareholder must be specified in connection with the registration.

Any proxy documents are requested to be submitted primarily as an attachment in connection with the electronic registration or alternatively by mail to Innovatics Oy, General Meeting / Lifeline SPAC I Plc, Ratamestarinkatu 13 A, FI-00520, Helsinki or by email to egm@innovatics.fi before the end of the registration period. In addition to submitting the proxy documents, the shareholder or their proxy representative must register for the EGM.

Advance Voting

Shareholders whose shares in Lifeline SPAC I are registered in their personal Finnish book-entry accounts may vote in advance between 5 August 2024 at 10:00 a.m. EEST and 19 August 2024 at 4:00 p.m. EEST on items 6a to 7 on the agenda of the EGM

a) Via Lifeline SPAC I's website at https://www.lifeline-spac1.com/corporate-governance/general-meeting-of-shareholders/extraordinary-general-meeting/

   Electronic advance voting requires strong identification of the shareholder or their legal representative or proxy with a Finnish, Swedish or Danish bank ID or mobile certificate.

b) By email

   By submitting the advance voting form available on Lifeline SPAC I's website at https://www.lifeline-spac1.com/corporate-governance/general-meeting-of-shareholders/extraordinary-general-meeting/ or equivalent information to Innovatics Ot by e-mail at egm@innovatics.fi.

c) By mail

   By submitting the advance voting form available on Lifeline SPAC I's website at https://www.lifeline-spac1.com/corporate-governance/general-meeting-of-shareholders/extraordinary-general-meeting/ or equivalent information to Innovatics Oy, General Meeting / Lifeline SPAC I Plc, Ratamestarinkatu 13 A, FI-00520 Helsinki.

A shareholder who has voted in advance cannot exercise the right to ask questions under the Finnish Companies Act or demand a vote unless they attend the EGM in person or by proxy representative at the meeting venue.

With respect to nominee-registered shareholders, the advance voting is carried out via the account manager. The account manager may vote in advance on behalf of the holders of nominee-registered shares whom they represent in accordance with the voting instructions given by the holders of nominee-registered shares during the registration period set for the nominee-registered shareholders.

Proposals for resolutions that are subject to advance voting are deemed to have been presented at the EGM without any changes.

Voting Rights and the Majority Required for the Approval of the Transaction

Each Share in Lifeline SPAC I entitles the holder to one vote at the EGM of Lifeline SPAC I. The Transaction must be approved by the shareholders of Lifeline SPAC I representing majority of the votes cast and Shares represented at the EGM of Lifeline SPAC I, considering, however, that, under the Finnish Companies Act, the issuing of the Consideration Shares requires the support of a qualified majority (i.e. at least two thirds of the votes cast and Shares represented at the general meeting). If the EGM of Lifeline SPAC I does not approve the Transaction, the Transaction will not be completed.

Right of Redemption at the Request of Shareholders Provided in the Articles of Association

Shareholders of series A shares who vote against the Transaction at the EGM have the right to request that their shares be redeemed in accordance with Lifeline SPAC I's Articles of Association. The redemption right is subject to the Transaction being approved and completed in accordance with applicable regulations and that the shareholder has notified Lifeline SPAC I's Board of Directors that they wish to have their shares redeemed during 10 banking days from and including the day of the EGM approving the Transaction. The request shall be made in writing in the manner and on the form provided by Lifeline SPAC I and shall state the number of shares requested to be redeemed. The form will be available on Lifeline SPAC I's website at https://www.lifeline-spac1.com/corporate-governance/general-meeting-of-shareholders/extraordinary-general-meeting/ on the date of the EGM at the latest.

The request for redemption must be received by Lifeline SPAC I by email at LifelineSPAC.EGM2024@borenius.com or by mail at Pursimiehenkatu 26 C, FI-00150 Helsinki, Finland on 5 September 2024 at the latest. Redemption requests received after the deadline will not be taken into account and right for redemption for such late requests is considered to be forfeited.

Investor Warrants – Series 2021-C

As described in Lifeline SPAC I's prospectus dated 4 October 2021, Lifeline SPAC I's Board of Directors decided on 30 September 2021 to issue a total maximum of 3,333,333 Investor Warrants to be subscribed for to Lifeline SPAC I's series A shareholders in connection with the completion of the Transaction. In addition, the Board of Directors of Lifeline SPAC I decided in connection with its share issue decision made on 5 July 2024 to raise the number of Investor Warrants by up to 31,665 Investor Warrants (see "*Information on Lifeline SPAC I – Operating and Financial Review – Significant Changes in Results of Operations and Financial Position*"). The Investor Warrants are issued to those shareholders who have not voted against the Transaction at the EGM and required the redemption of their series A shares and remain shareholders in Lifeline SPAC I on the record date of the Investor Warrants, on 23 September 2024. All series A shareholders will be issued one investor warrant for every three series A shares held by the shareholder, entitling them to subscribe for one new series A share with a subscription price of EUR 11.50 per share during the subscription period in accordance with the terms of the Investor Warrants. A maximum of 3,364,998 Investor Warrants may be issued, which entitle to subscribe for a maximum of 3,364,998 series A shares in the Combined Company.

The subscription period for the series A shares to be subscribed for with the Investor Warrants begins 30 days after trading in the shares of the Combined Company commences on the First North marketplace and continues for five years from the beginning of the subscription period. The Investor Warrants are to be included in the book-entry system maintained by Euroclear Finland and applied for trading on the First North marketplace as soon as possible from the beginning of the subscription period. Investor Warrants are freely transferable. The last day of the Investor Warrants is 4 trading days before the end of the subscription period of the Investor Warrants or on another day decided by Nasdaq Helsinki. If the Combined Company's Board of Directors decides to require premature acceleration of the Investor Warrants, the Combined Company may decide to apply for delisting 4 trading days prior to closing of such extra subscription period of Investor Warrants or on another day decided by Nasdaq Helsinki.

With Investor Warrants, it is possible to subscribe for series A shares in the Combined Company during the subscription period. The subscriptions will be made in the order decided by the Combined Company's Board of Directors so that the Investor Warrant holder notifies the share subscription and pays the subscription price to a bank account specified by the Combined Company's Board of Directors and the Combined Company's Board of Directors will register the share subscriptions in the Trade Register as soon as possible at the end of the subscription period. There are subscription periods four times a year from 1 January to 31 March, 1 April to 30 June, 1 July to 30 September and 1 October to 31 December. Shares subscribed with Investor Warrants provide the same rights as other series A shares in the Combined Company as of the date of registration in the Trade Register. Finnish law applies to all issued Investor Warrants.

If a total of more than 50,000 series A shares are subscribed for with Investor Warrants, the Combined Company's Board of Directors may decide on an additional subscription period and register all subscribed shares in the Trade Register on an accelerated schedule.

With subscriptions for Investor Warrants, the Combined Company raises EUR 11.50 of new capital per subscribed share, *i.e.*, a maximum of EUR 39 million in total if the Investor Warrants are fully subscribed for.

The Combined Company's Board of Directors has the right to require that a shareholder subscribes for series A shares in the Combined Company with Investor Warrants after the day in which the closing price of the series A shares on First North marketplace or on another multilateral trading facility or regulated market in which the series A shares have been admitted to trading on Lifeline SPAC I's application, equals or exceeds EUR 18 for 10 consecutive trading days.

If the Combined Company decides to require using Investor Warrants for subscribing for series A shares in the Combined Company, the Combined Company will publish a release on the decision and an additional subscription period for the Investor Warrants.

Holders of Investor Warrants have 45 days from the date of notification, including the date of notification, to subscribe for the Combined Company's series A shares at a subscription price of EUR 11.50. Thereafter, unused Investor Warrants expire as worthless so that the remaining Investor Warrants are no longer granted subscription periods. Expired Investor Warrants may be delisted from trading pursuant to the terms of Investor Warrants.

The terms and conditions of the Investor Warrants will be available on Lifeline SPAC I's website at https://www.lifeline-spac1.com/investors/warrants/.

Fees and Costs Relating to the Transaction

According to estimates as at the date of this Company Description, the total costs for Lifeline SPAC I Canatu arising in connection with the Transaction, mostly consisting of expenses related to advisory services provided by the Joint Financial Advisors, financial reporting, legal matters and listing to First North marketplace, are expected to amount to approximately EUR 3,600 thousand, approximately EUR 550 thousand of which are Lifeline SPAC I's transaction costs, approximately EUR 750 thousand of which are Canatu's transaction costs and approximately EUR 2,300 thousand of which are costs related to the Listing. The total maximum of EUR 1.5 million in remuneration for the Joint Financial Advisors agreed in connection with Lifeline SPAC I's initial public offering in October 2021 is included in the costs related to the Listing. The estimated transfer tax to be paid in connection with the completion of the Transaction is EUR 3,269 thousand (excluding the additional purchase price).

In addition to the transaction costs, Canatu's management team is entitled to a bonus amounting to a total of EUR 200 thousand in connection with the completion of the Transaction. Notwithstanding the above, neither the Board of Directors, the CEOs or the auditors of Lifeline SPAC I or Canatu are entitled to any special bonuses or remuneration in connection with the Transaction. For further information on Canatu's option programs and the new planned share-based incentive scheme, see section "*Information on the Combined Company – Shares and Ownership – Option plans*".

Listing of the Listing Shares

Lifeline SPAC I intends to apply for the listing of the Listing Shares to public trading on the First North marketplace. An application for the Listing will be submitted prior to the date for the Listing. As at the date of this Company Description, the series A shares in Lifeline SPAC I are subject to public trading on the SPAC segment of the regulated market of Nasdaq Helsinki. Trading in the Listing Shares is expected to commence on the First North marketplace on 17 September 2024 or as soon as reasonably possible thereafter.

Issuing and Paying Agent

Danske is acting as an issuing and paying agent in respect of the Transaction, *i.e.*, assisting Lifeline SPAC I and Canatu with certain administrative services concerning the issuance of the Consideration Shares. The entity performing the activities of an issuing and paying agent is Danske (the address of which is Televisiokatu 1, FI-00240 Helsinki). The fact that Danske is acting as issuing and paying agent does not, in itself, mean that Danske regards Canatu's shareholders as customers of Danske. For the purposes of the issuance of Consideration Shares, Canatu's shareholder is regarded as a customer of Danske only if Danske has provided advice to Canatu's shareholder regarding the issuance of the Consideration Shares or has contacted Canatu's shareholder individually regarding the issuance of the Consideration Shares, or if Canatu's shareholder has an existing customer relationship with the bank. As a consequence of Danske not regarding Canatu's shareholder as a customer of the issuance of the Consideration Shares, the investor protection rules set forth in the Finnish Investment Service Act (747/2012, as amended) will not apply to the issuance of the Consideration Shares. This means, among other things, that neither customer categorisation nor a suitability assessment will take place with respect to the issuance of the Consideration Shares. Accordingly, Canatu's shareholder is personally responsible for ensuring that he or she possesses sufficient experience and knowledge to understand the risks associated with the offering of the Consideration Shares.

Canatu's shareholders may need to provide personal data to Danske in connection with the issuance of the Consideration Shares. Personal data provided to Danske will be processed in data systems to the extent required to provide services and administer matters in Danske. 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 organisations with which Danske cooperate. Information regarding the processing of personal data is provided by Danske's branch offices, which also accept requests for correction of personal data. Information regarding addresses may be obtained by Danske through automatic data runs at Euroclear Finland.

The Joint Financial Advisors

Carnegie and Danske are acting as Joint Financial Advisors of Lifeline SPAC I, for which they will receive remuneration based on the success of the Initial Listing which Lifeline SPAC I, Carnegie and Danske have agreed on in connection with the Initial Listing, see "*Information on Lifeline SPAC I – Material Agreements – The Placing Agreement*"). Carnegie and Danske have provided to Lifeline SPAC I, and may in the future provide to the Combined Company, various banking, financial, investment and commercial services as well as other services in the ordinary course of business.

INFORMATION ON THE COMBINED COMPANY

The following provides an overview of the Combined Company and is based on, among other things, the assumption that the Transaction will be completed in the manner and within the timetable contemplated in this Company Description. However, there are no guarantees that the Transaction will be completed or that Lifeline SPAC I and Canatu's business operations will be combined in the manner and within the timetable laid out in this Company Description, either of which could result in any statement on the Combined Company below being unfulfilled. For further information, see section "Risk Factors – Risks Related to the Transaction".

Overview

The Combined Company was founded on 13 August 2021 and was registered in the Trade Register as Lifeline SPAC I on 18 August 2021. After the completion of the Transaction the Combined Company will be named Canatu Oyj in Finnish and Canatu Plc in English. The Combined Company will be domiciled in Helsinki, Finland. The Combined Company's business identity code is 3229349-3 and its LEI code is 743700CKOP7IHGI98B12. The Combined Company is a public limited liability company registered in Finland and established in accordance with Finnish law. The Combined Company's headquarters will be located in Vantaa, Finland, and it will have approximately 127 employees operating globally at five locations in five countries: Finland, United States, Japan, Taiwan and Vietnam. The Combined Company's website is at address https://canatu.com/. The Combined Company's financial year is a calendar year.

Canatu, with EUR 13,591 thousand in net turnover and EUR -640 thousand in EBIT in 2023[5], develops advanced CNT-based materials and CNT reactors for products that transform industries. Lifeline SPAC I is a Finnish SPAC, which raised EUR 100 million in gross proceeds in its Initial Listing on 14 October 2021. On 5 July 2024, Canatu and Lifeline SPAC I announced the contemplated business combination through a share exchange. Following the Transaction, the Combined Company will continue the business operations of Canatu as a listed company on the First North marketplace, strengthened by the added cash balance of Lifeline SPAC I and broad experience of Lifeline SPAC I's Board of Directors, Management Team and Sponsor Committee in financing and developing growth companies in the technology sector through work in the Board of Directors or possibly through other ways to be agreed with Canatu.

Pursuant to Article 3 of the Combined Company's proposed Articles of Association, its line of business is research, development, enhancement, manufacturing and utilization of and trading in nanotechnological materials, applications, equipment and methods, as well as engaging in other business related to the field and its applications, such as offering consulting and other services. The business operations may be conducted either directly or via affiliated companies or other group companies. In addition, the company may engage in other business activities as well as own and hold real estate, securities and other movable property.

Rationale of the Combination

Lifeline SPAC I's goal is to acquire an unlisted tech-enabled company with high growth potential. After examining a large pool of potential opportunities, Lifeline SPAC I has concluded that Canatu materially conforms to Lifeline SPAC I's investment criteria and has selected Canatu as the target company in accordance with its investment process. For further information, see section "*Information on Lifeline SPAC I – Investment Strategy*".

The Transaction and the Listing will support Canatu's strategy to position itself as a manufacturer of advanced CNTs for processes and products that transform industries, such as the manufacturing process of chips produced with EUV technology, autonomous vehicle applications and advanced diagnostic point-of-care (POC) testing applications. For further information on the strategy of Canatu, see section "*Information on Canatu – Business of Canatu – Business Strategy*".

Lifeline SPAC I, with the experience of its members of the Board of Directors, the Management Team and the Sponsor Committee, considers Canatu to materially conform to Lifeline SPAC I's investment criteria. Lifeline SPAC I's members of the Board of Directors, the Management Team and the Sponsor Committee have over the years accrued considerable experience in financing and supporting the growth of technology companies, an extensive network and a proven track record of building international success stories. Canatu has experienced strong net turnover growth in recent years, and Lifeline SPAC I considers that Canatu has

[5] Includes approximately EUR 1.7 million conversion of a Business Finland loan into a grant, which has been recognised as other operating income.

value-add potential in each of the focus industries. Lifeline SPAC I's Management Team believes that Canatu's proprietary technology, growing focus industries, mass manufacturing capability, relatively capital light, high-margin potential business model and experienced management can provide good growth and profitability potential in the long term.

Business of the Combined Company

Following the Transaction, the Combined Company will continue the business operations of Canatu. For further information on the business of Canatu, see section "*Information on Canatu – Business of Canatu*".

The Long-Term Financial Targets and Dividend Policy

Canatu has set the following Long-Term Financial Targets by 2027 and dividend policy that will apply to the Combined Company as of completion of the Transaction:

- a revenue of over EUR 100 million and an EBIT margin (adjusted for goodwill amortisation in accordance with the Finnish Accounting Standards) of over 30 per cent in 2027 (the "**Long-Term Financial Targets**").

The Combined Company does not plan to distribute dividends in the near to medium term.

The Combined Company expects the relative contribution to the targeted revenue by semiconductor to be large, by automotive medium and by medical diagnostics limited.

The Long-Term Financial Targets assume that (i) CNT-based pellicles are adopted in 500W and 500W+ EUV lithography scanners only and (ii) CNT-based inspection consumables are used only in patterned mask inspection. If CNT-based pellicles are adopted in lower-power EUV lithography scanners as well, and/or CNT-based inspection consumables are adopted in other phases of the mask manufacturing process beyond the patterned mask inspection, there is potentially a material organic upside potential to the Combined Company's Long-Term Financial Targets.

Canatu expects that the amount of current capital expenditure is adequate for reaching the Long-Term Financial Target of annual revenue of over EUR 100 million in 2027 and that reaching the Long-Term Financial Targets in 2027 may require growing the headcount by 25–35 FTEs annually. The total capital expenditure in 2024 is expected to amount to EUR 5–6 million, excluding any potential impact from potential changes in Canatu's practice regarding the activation of R&D-related personnel expenses. See "*Information on Canatu – Operating and Financial Review – Forecast for 2024 – Basis of the Financial Outlook and Factors of Uncertainty Affecting It*".

The statements set forth in this section include forward-looking statements and are not guarantees of the Combined Company's financial performance. The Combined Company's actual results of operations and financial position could differ materially from the results of operations or financial position presented in or implied by such forward-looking statements as a result of many factors, including but not limited to those described under "Risk Factors", "Information on Lifeline SPAC I – Operating and Financial Review – Trends and Events Following the Close of the Financial Year" and "Information on Canatu – Operating and Financial Review – Key Factors Affecting the Results of Operations". For further information, see section "Certain Matters – Forward-Looking Statements". These forward-looking statements should be treated with caution.

Group Structure

Following the Transaction, Lifeline SPAC I (which will be renamed Canatu Oyj (Canatu Plc in English) in connection with the Transaction) will be the parent company of the Combined Company. The Combined Company's business will be conducted by the Combined Company's wholly-owned direct subsidiary, Canatu and its subsidiary, Canatu Inc. ("**Canatu USA**"), incorporated and existing in the United States.

Board of Directors, Management and Auditors

Board of Directors

According to the proposed Articles of Association of the Combined Company, the Board of Directors consists of at least five and at most eight ordinary members. The Sponsor Representatives (as defined below) are included in the count of ordinary members of the Board of Directors, and the General Meeting appoints the other three to six ordinary members. When 24 months have passed from the completion of the Transaction, the right to appoint Sponsor Representatives (as defined below) by a special order of appointment ceases and the five to eight members are appointed by the General Meeting in accordance with the rules of the Finnish Companies Act.

Pursuant to the proposed Articles of Association of the Combined Company, the Sponsors and Lifeline SPAC I's CEO Tuomo Vähäpassi shall have the right upon written notice to appoint two sponsor representatives to the Combined Company's Board of Directors (the member of the Board of Directors appointed under Article 11 is called a "**Sponsor Representative**"). The Sponsors and Lifeline SPAC I's CEO Tuomo Vähäpassi shall have the right upon written notice (i) to remove any Sponsor Representative then serving as a member of the Board of Directors, and (ii) to appoint a new Sponsor Representative to replace any Sponsor Representative who (A) is unable to serve as a member of the Board of Directors for any reason, or (B) is removed (upon death, resignation, by operation of a termination notice by the Sponsors or other reason). The appointment of the Sponsor Representative to the Combined Company's Board of Directors shall be effective upon receipt of the written notice of appointment sent by the Sponsors and Lifeline SPAC I's CEO Tuomo Vähäpassi. The Combined Company and the Board of Directors shall take all actions necessary to cause the registration of each Sponsor Representative with the Finnish Trade Register as promptly as practicable.

The Sponsors and Lifeline SPAC I's CEO Tuomo Vähäpassi intend to appoint Timo Ahopelto and Tuomo Vähäpassi as the Sponsor Representatives to the Combined Company's Board of Directors. In addition to the Sponsor Representatives, the number of other members of the Board of Directors of the Combined Company following the completion of the Transaction shall be confirmed and the other members of the Board of Directors shall be elected by the EGM of Lifeline SPAC I resolving on the Transaction. Both decisions shall be conditional upon the completion of the Transaction. The term of the members of the Board of Directors shall commence upon the completion of the Transaction and expire at the end of the first Annual General Meeting of the Combined Company.

Lifeline SPAC I proposes to the EGM the establishment of a shareholders' nomination board. The intention of Lifeline SPAC I and subsequently the Combined Company is that the Board members elected at the EGM would continue to be elected to the Boad of Directors of the Combined Company at least until the Annual General Meeting in 2027, to oversee the execution of the Combined Company's strategy (for further information on the Combined Company's strategy, see section "*Information on Canatu – Business of Canatu – Business Strategy*"). In addition, Lifeline SPAC I's intention is that the shareholders' nomination board would explore opportunities to increase the diversity of the Board of Directors, before the Annual General Meeting 2025.

Lifeline SPAC I's Board of Directors, after consultation with Canatu, proposes to the EGM of Lifeline SPAC I resolving on the Transaction that the Board of Directors of the Combined Company shall consist of seven (7) members and that, in addition to the Sponsor Representatives, Ari Ahola, Anthony Cannestra, Thomas P. Lantzsch, Scott Sears, and Kai Seikku would be elected as members of the Board of Directors of the Combined Company. Timo Ahopelto would be conditionally elected as the Chair and Ari Ahola would be conditionally elected as the Vice Chair of the Board of Directors of the Combined Company.

The following table presents the proposed members of the Combined Company's Board of Directors. For further information on the proposed members of the Board of Directors of the Combined Company currently serving on the Management Team or the Board of Directors of Lifeline SPAC I or Canatu, see sections "*Information on Lifeline SPAC I – Administration, Management and Auditors – Board of Directors*" and "*Information on Canatu – Administration, Management and Auditors – Board of Directors and the Management Team – Board of Directors*".

Name	Year of Birth	Position
Timo Ahopelto	1975	Chair
Ari Ahola	1957	Vice Chair
Anthony Cannestra	1964	Board Member
Thomas P. Lantzsch	1960	Board Member
Scott Sears	1972	Board Member
Kai Seikku	1965	Board Member
Tuomo Vähäpassi	1969	Board Member

Scott Sears has served as Chief Physician Executive for Honest Medical Group since 2024 and vice-chair of the Board of Directors of the Senior Resource Alliance since 2023. Dr. Sears has also served as Chief Medical Officer of InHealth MD Alliance in 2021–2024, Medical Director of Stillwater Hospice in 2017–2021, Regional Primary Care Medical Director of SCL Health in 2016–2021, Chief Clinical Officer of Sound Physicians in 2012–2016, Chief Medical Officer of St. Vincent Physician Network in 2010–2012, and a physician at Internal Medicine Associates in 2004–2010. Dr. Sears holds both MD and MBA degrees.

Kai Seikku has served as member of the Board of Directors of VTT Technical Research Centre of Finland Ltd since 2024, member of the Board of Directors of Y-Vuokraus Oy since 2023, member of the Board of Directors of NoHo Partners Plc since 2022, member of the Board of Directors of Teknologiateollisuuden työnantajat ry, Midagon Group Oy and Midagon Group Holding Oy since 2021, member of the Board of Directors of SOITEC S.A. since 2019, member of the Board of Directors of Alexander Stubb Global Ltd since 2016, member of the Board of Directors of Seico Investments Ltd, and Industrial Advisor of Intera Partners Ltd and Okmetic Oy's CEO since 2010 and member of the Board of Directors since 2016. Previously, Seikku served as member of the Board of Directors of Inderes Oyj in 2016–2024, member of the Board of Directors of Verkkokauppa.com Oyj in 2013–2024, member of the Board of Directors of Merivaara Corporation in 2017–2022, of which in 2021–2022 as Chair, member of the Board of Directors of Marketing Clinic Oy in 2017–2022, member of the Board of Directors of Reimari Holding Oy in 2017–2022, of which in 2021–2022 as Chair, member of the Board of Directors of Virala Acquisition Company Oyj in 2021, member of the Board of Directors of Robit Plc in 2018–2020 and member of the Board of Directors of Intera Equity Partners II Ltd. in 2013–2020. Seikku has also served Vice General Manager of National Silicon Industry Group Co Ltd since 2016, CEO of HKFoods Plc (former HK Scan Oyj and HK Ruokatalo Group Oyj) in 2005–2009, CEO of Hasan & Partners Oy in 1999–2005 and Project Manager in The Boston Consulting Group Nordic Ab in 1993–1999. Seikku holds a Master of Science in Economics degree.

As at the date of this Company Description, Timo Ahopelto, Anthony Cannestra, Thomas P. Lantzsch, Scott Sears and Kai Seikku are independent of the Combined Company, its management and its major shareholders. Tuomo Vähäpassi is independent of the major shareholders of the Combined Company but not of the Combined Company or its management. Ari Ahola is not independent of the Combined Company, its management nor its major shareholders.

CEO and the Management Team

Upon the completion of the Transaction, the current Chief Executive Officer ("**CEO**") of Canatu, Juha Kokkonen, will become the CEO of the Combined Company, and the current Chief Financial Officer ("**CFO**") of Canatu, Timo Suominen, will become the CFO of the Combined Company. The other current members of the management team of Canatu will become the members of the management team of the Combined Company. Of the Combined Company's members of the management team, the CEO and the CFO will be employed by the parent company. For further information on the CEO, the CFO and management team of the Combined Company, see section "*Information on Canatu – Administration, Management and Auditors – Board of Directors and the Management Team – Management Team*".

The CEO's contract may be terminated by either of the parties with six months' notice. The CEO's fixed monthly salary will not substantially change in connection with the Transaction from the CEO's previous contract with Canatu. The CEO's monthly base salary is approximately EUR 15,000. In addition, the CEO is entitled to a performance bonus of EUR 120,00 per annum at maximum. The CEO is also entitled to participate in the Combined Company's long-term incentive plan (see "*– Shares and Ownership – Incentive and Option Plans – New long-term incentive plan for the Combined Company*" below). The CEO's contract includes non-competition, non-recruitment and non-solicitation clauses that remain in force for a period of 12 months following the expiry of the CEO's contract. If the Combined Company terminates the CEO's contract without a reason specified in the contract, the CEO is entitled to a severance payment equivalent to nine months' salary. The contract will start to apply at the completion of the Transaction.

Current members of Lifeline SPAC I's Management Team have six months' notice period. In accordance with Lifeline SPAC I's operating principles, it is intended that during the notice period, the members of Lifeline SPAC I's Management Team will support the Combined Company's management team for example in projects related to strategy, financial administration, investor relations and financing, as separately agreed upon with the Combined Company's Board of Directors.

Auditors

The auditor of Lifeline SPAC I, KPMG Oy Ab, will continue in its position as the auditor of the Combined Company and the Transaction will not impact the resolution previously adopted in respect of the auditor's remuneration. KPMG Oy Ab has notified that Jussi Paski, Authorised Public Accountant, will act as the auditor with principal responsibility.

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

Notwithstanding the below, the members of the Combined Company's Board of Directors or the management team have not during the previous five years prior to the publication of the Company Description:

- had any conviction in relation to fraudulent offences,

- acted in executive positions, such as members of administrative, executive or supervisory bodies, or been part of the management of or acted as a general partner of a limited partnership in a company that has filed for bankruptcy, liquidation or restructuring proceedings (excluding such liquidation processes, which have been voluntary in order to legally dissolve a limited liability company in accordance with the Finnish Companies Act in Finland), or

- been the subject of prosecution or penalty by judicial or supervisory authority (including professional associations), and been disqualified by a court from acting as a member of administrative, management or supervisory bodies of any company or prohibited the person from acting in the management of any company or from managing the affairs at any company.

Timo Ahopelto, the proposed Chair of the Combined Company's Board of Directors, acted as the Chair of the Board of Directors of Valkee Oy when the said company was declared bankrupt in November 2021, and as the Chair of the Board of Directors of Enevo Oy when the said company was declared bankrupt in July 2020.

Corporate Governance and Listing of the Listing Shares

The Combined Company will be domiciled in Helsinki, Finland, and its headquarters will be in Vantaa, Finland, and its reporting languages will be Finnish and English. The Combined Company will comply with the rules and regulations for corporate governance and disclosure obligations applicable to a company whose shares are listed on the First North marketplace.

The ISIN code for the Listing Shares is FI4000512496. Each Listing Share entitles its holder to one vote at the General Meeting of shareholders of the Combined Company and carries equal rights to dividends and other distributions by the Combined Company. The rights attached to the Listing Shares include, among others, pre-emptive rights to subscribe for new shares in the Combined Company, right to participate and exercise voting power at the General Meeting of shareholders of the Combined Company, right to dividend and distribution of other unrestricted equity, and right to demand redemption at a fair price from a shareholder that holds shares representing more than 90 per cent of all the shares and votes in the Combined Company, as well as other rights generally available under the Finnish Companies Act. The Listing Shares do not have nominal value. The Listing Shares are issued in euros.

Lifeline SPAC I intends to apply for the listing of the Listing Shares for public trading on the First North marketplace. An application for the Listing will be submitted prior to the date of the Listing. Trading in the Listing Shares is expected to commence on the First North marketplace on 17 September 2024 or as soon as reasonably possible thereafter under the trading code "CNT".

Shareholders' Nomination Board

The Board of Directors of Lifeline SPAC I proposes to the EGM to be held on 23 August 2024 that a Shareholders' Nomination Board be established for the Combined Company and that its charter be adopted.

The Shareholders' Nomination Board of the Combined Company would be responsible for preparing proposals to the annual general meeting, and if necessary, to the extraordinary general meeting, on the number, election, and remuneration of the members of the Board of Directors. The Shareholders' Nomination Board shall ensure that the Board of Directors and its members have sufficient expertise, competence and experience to meet the needs of the Combined Company.

The Shareholders' Nomination Board would consist of four members, representing the four largest shareholders. Each of the four largest shareholders would be entitled to appoint one member to the Shareholders' Nomination Board. The number of votes held by each shareholder of all shares are determined based on the shareholders' register as per the situation on the first banking day of October each year. The Chair of the Board of Directors shall request each of the four largest shareholders to each appoint one member to the Shareholders' Nomination Board by the last day of November each year.

In addition, shares that are included in a shareholder's holdings and proportion of voting rights calculated in accordance with Chapter 9, Sections 5 and 6 of the Finnish Securities Markets Act and nominee-registered shares are considered in the determination of the largest shareholders, if they make such request and notify their shareholdings to the Board of Directors in writing by 30 September each year. The request must include sufficient evidence of title to the nominee-registered shares or of the obligation to take holdings into account under the Finnish Securities Markets Act. If a shareholder does not wish to use its right of appointment, the right would be transferred to the next largest shareholder that would otherwise not have the right of appointment.

The Chair of the Board of Directors would convene the first meeting of each term of office of the Shareholders' Nomination Board, and the representative of the largest shareholder would be appointed as the Chair of the Shareholders' Nomination Board, unless the members of the Shareholders' Nomination Board unanimously decide otherwise. In the event that the representative of the largest shareholder also serves as the Chair of the Combined Company's Board of Directors, he/she cannot be appointed as the Chair of the Shareholders' Nomination Board, but he/she can serve as a member thereof as a representative of the shareholder. The Chair of the Combined Company's Board of Directors participates in the Shareholders' Nomination Board's work as an expert without having a right to participate in the decision-making of the Shareholders' Nomination Board.

The Shareholders' Nomination Board would be established until further notice, *i.e.*, until the general meeting decides otherwise. The term of office of the members of the Nomination Board expires annually upon the appointment of new members of the Shareholders' Nomination Board. The members of the Shareholders' Nomination Board will not receive any compensation for acting as a member thereof. The members will be compensated for their travel costs in accordance with the Combined Company's travel policy. In order to carry out its duties and where necessary, the Shareholders' Nomination Board may, at costs approved by the Combined Company, retain the services of external experts.

Shares and Ownership

As at the date of this Company Description, Lifeline SPAC I has two (2) share series. The total number of shares in Lifeline SPAC I is at the date of this Company Description 12,594,995 shares divided into 10,094,995 series A shares and 2,500,000 series B shares (the "**Shares**"). All of Lifeline SPAC I's Shares carry equal voting and economic rights, except for the redemption condition of series A shares, and the exclusion of right to dividend and distribution of assets and of the right to distributive shares in the event of dissolution of Lifeline SPAC I of series B shares. For further information on the redemption condition of series A shares, see section "*Shareholders' Rights – Special Redemption Condition for Series A Shares in Accordance with the Articles of Association*". The economic rights of the series B shares are tied to the success of the Transaction thus that these shares can be converted into series A shares after the approval of the Transaction if the conditions set out in the proposed Articles of Association of the Combined Company are met. For further information on the right of conversion of the series B shares, see section "*Shareholders' Rights – Conversion of Lifeline SPAC I's Series B Shares*". In addition, those Lifeline SPAC I's series A shareholders who have not voted against the Transaction at the EGM and required the redemption of their series A shares after the EGM have the right to subscribe for the Investor Warrants to be issued in connection with the approval of the Transaction.

As at the date of this Company Description, Canatu has five (5) share series. The total number of shares in Canatu is at the date of this Company Description 6,874,256[6].

In connection with the Transaction, Lifeline SPAC I will issue 21,791,821 new series C shares for the Sellers allocated in proportion to their holding in Canatu. The proposed Articles of Association of the Combined Company, attached to this Company Description as Appendix A, include a conversion clause under which the series C shares will be converted automatically with the ratio 1:1 into series A shares 60 days after the

6 As at the date of this Company Description, an amendment notification to register 500 new series A shares to the Trade Register is pending.

completion of the Transaction. In addition, Lifeline SPAC I and the Sellers have agreed on an additional purchase price which will be paid in new series A shares if the conditions of the additional purchase price are fulfilled. For further information on the additional purchase price, see section "*The Transaction and the Transaction Agreement – Share Consideration – Earn-out*.

As a result of the Transaction and the conversion of the Consideration Shares, the Combined Company's share capital will be EUR 80,000 and the Combined Company will have two series of shares, divided into 31,886,816 series A shares and 2,500,000 series B shares after the completion of the Transaction, assuming no redemptions by Lifeline SPAC I's shareholders. The Combined Company is not expected to hold any of the Combined Company's own shares immediately following the Transaction. The Sellers will hold approximately 68 per cent and the current shareholders of Lifeline SPAC I would hold approximately 32 per cent of the series A shares after conversion of the Accordingly, this entails that as a result of the issue of the Consideration Shares, the ownership of Lifeline SPAC I's shareholders would be diluted by 68 per cent with respect to series A shares. The percentages have been presented without the dilution caused by share subscriptions made with the Investor Warrants, Founder Warrants or Sponsor Warrants and assuming that the current shareholders of Lifeline SPAC I do not demand the redemption of their series A shares in connection with the Transaction. Additionally, the additional purchase price possibly to be paid to the Sellers has not been taken into account. The dilution effect of the Investor Warrants, Founder Warrants and Sponsor Warrants as well as the additional purchase price is accounted for in the dilution calculation in section "*– Dilution*" below.

The following table presents the shareholders owning 5 per cent or more of the shares and votes of in the Combined Company after the conversion of the Consideration Shares into series A shares based on the shareholdings in Lifeline SPAC I and Canatu on 31 July 2024, assuming that all of Lifeline SPAC I's and Canatu's shareholders are shareholders with unchanged holdings at the completion of the Transaction and that the total number of Consideration Shares is 21,791,821 as described above.

Shareholder	**Number of series A shares**	**Number of series B shares**	**Shares and votes total**	**Proportion of Shares and votes, %**
eFruit International Inc	3,484,077	-	3,484,077	10.1
DENSO Corporation	3,264,417	-	3,264,417	9.5
Mymetics Holding (Cyprus) Ltd	2,526,275	-	2,526,275	7.3
Inventure Fund Ky	2,341,698	-	2,341,698	6.8
Varma Mutual Pension Insurance Company	2,322,243	-	2,322,243	6.8
Ilmarinen Mutual Pension Insurance Company	1,731,398	-	1,731,398	5.0
Other shareholders	16,216,708	2,500,000	18,716,708	54.4
Total	**31,886,816**	**2,500,000**	**34,386,816**	**100.00**

Lifeline SPAC I has no knowledge of any shareholder exercising control over the Combined Company or of any other events or arrangements that may have an impact on the exercise of control over the Combined Company in the future.

Based on the shareholdings in Lifeline SPAC I and Canatu on 31 July 2024, the Combined Company's Certified Adviser does not hold any shares in the Combined Company.

Management Holdings

The following table sets forth the ownership of shares and option rights held by the proposed members of the Combined Company's Board of Directors and management team directly or through their controlled company after the conversion of the Consideration Shares into series A shares based on the shareholdings in Lifeline SPAC I and Canatu on 31 July 2024, assuming that all of Lifeline SPAC I's and Canatu's shareholders are shareholders with unchanged holdings at the completion of the Transaction and that the total number of Consideration Shares is 21,791,821 as described above.

			Total shares and votes					
Name	**Number of series A shares**	**Number of series B shares**	**Number of shares and votes**	**%**	**Sponsor Warrants**	**Founder Warrants**	**Options**	**Option Plan 2024-II**
Board of Directors								
Timo Ahopelto[1]	31,665	394,302	425,967	1.2	446,875	-	-	-
Ari Ahola[2]	3,484,077	-	3,484,077	10,1	-	-	-	-
Anthony Cannestra	-	-	-	-	-	-	-	-
Thomas P. Lantzsch	-	-	-	-	-	-	114,360	34,108
Scott Sears	-	-	-	-	-	-	-	-
Kai Seikku	-	-	-	-	-	-	-	-
Tuomo Vähäpassi[3]	35,000	375,000	410,000	1.2	-	425,000	-	-
Management team								
Juha Kokkonen	1,429	-	1,429	0.0	-	-	528,388	157,602
Timo Suominen	-	-	-	-	-	-	86,461	25,788
Jussi Rahomäki	-	-	-	-	-	-	100,065	29,845
Heikki Heinaro	-	-	-	-	-	-	107,752	32,138
Ilkka Varjos	-	-	-	-	-	-	109,814	32,753
Samuli Kohonen	-	-	-	-	-	-	123,220	36,751
Mari Makkonen	-	-	-	-	-	-	20,013	5,968
Taneli Juntunen	-	-	-	-	-	-	63,112	18,823
Antti Valkola	-	-	-	-	-	-	22,872	6,821
Markku Lamberg	-	-	-	-	-	-	20,627	6,150
Risto Laine	-	-	-	-	-	-	28,590	8,526
Ann-Sofi Reims	-	-	-	-	-	-	-	-
Total	**3,552,171**	**769,302**	**4,321,473**	**12.6**	**446,875**	**425,000**	**1,325,274**	**395,273**

1) Timo Ahopelto's subscriptions for series A shares, series B shares and Sponsor Warrants have been made through Ahopelto's controlled entity TA Ventures Ltd.
2) Ari Ahola's subscriptions for series A shares will be made through Ari Ahola's controlled entity eFruit International Inc.
3) Tuomo Vähäpassi's subscriptions for series A shares, series B shares and Founder Warrants have been made through Vähäpassi's controlled entity TSOEH Oy.

Incentive and Option Plans

Option Plans

Lifeline SPAC I and the Sellers concluded the Transaction Agreement on 5 July 2024. According to the Transaction Agreement, Canatu and the holders of Canatu's option rights have agreed on the cancellation of the option rights issued by Canatu conditional on that the preconditions of the Transaction are fulfilled or waived and that the Transaction will be completed. Further, under the agreements regarding the cancellation of the option rights and provided that the preconditions of the Transaction are fulfilled or waived and that the Transaction is completed, the Board of Directors of Canatu decides to cancel Canatu's issued option rights and Lifeline SPAC I will issue new, fully vested option rights in Lifeline SPAC I to the holders of Canatu's option rights to replace the cancelled option rights. For further information on Canatu's option plans, see section "*Information on Canatu – Option Plans*".

As replacement for Canatu's cancelled option rights, Lifeline SPAC I will issue new option rights without consideration to the holders of Canatu's options in connection with the completion of the Transaction (the

“**Consideration Options**”) under option plan 2024-I. The total number of Consideration Options is 1,676,752 option rights that entitle their holders to subscribe for a maximum of 1,676,752 new series A shares in the Combined Company. The option rights will be issued to the holders of Canatu’s option rights whose option rights have been cancelled in connection with the Transaction. Lifeline SPAC I will conclude an option agreement with each holder of Canatu’s option rights to determine, inter alia, how many option rights will be issued to each holder of Canatu’s option rights. The subscription period for series A shares in the Combined Company with the Consideration Options begins upon the registration of option plan 2024-I in the Trade Register and ends on 31 December 2029, however, taken into account that the Consideration Options may not be exercised to subscribe for series A shares before the record date of the Investor Warrants. The subscription price of a Combined Company series A share subscribed for with a Consideration Option is EUR 3.50. Unless otherwise resolved by the Board of Directors of the Combined Company, the option rights may not be transferred or pledged.

In addition, in connection with the Transaction, Lifeline SPAC I will establish a new option program (“**Option Plan 2024-II**”), from which holders of option rights in Canatu will receive a total of 500,074 new option rights in the Combined Company. 142,874 option rights will vest if the Combined Company’s volume-weighted average share price exceeds EUR 14.00 for any ten trading days (which for the sake of clarity need not be consecutive) in any period of 30 trading days before 31 December 2027. 142,874 option rights will vest if the Combined Company’s volume-weighted average share price exceeds EUR 18.00 for any ten trading days (which for the sake of clarity need not be consecutive) in any period of 30 trading days before 31 December 2028. 214,326 option rights will vest if the Combined Company’s volume-weighted average share price exceeds EUR 22.00 for any ten trading days (which for the sake of clarity need not be consecutive) in any period of 30 trading days before 31 December 2028. Every vested option right in Option Plan 2024-II entitles its holder to subscribe for one new Series A share in the Combined Company.

New long-term incentive plan for the Combined Company

To maintain the entrepreneurial spirit and a moderate fixed cost base also as a public company but still incentivise highly sought-after employees, the Combined Company aims to establish a new long-term incentive programme that reflects the character and magnitude of international and private equity-driven programmes.

The Board of Directors of Lifeline SPAC I proposes to the EGM to authorise the Board of Directors to issue a new share-based long-term incentive programme aimed at the Combined Company’s management and employees with an approximate 7 per cent dilutive effect calculated based on the number of series A and series C shares outstanding immediately after the completion of the Transaction. For further information, see section “*Information on Lifeline SPAC I – Shares and Share Capital of Lifeline SPAC I – Authorisations*”.

Dilution

As at the date of this Company Description, Lifeline SPAC I has issued 10,094,995 series A shares and 2,500,000 series B shares, making Lifeline SPAC I’s total number of shares 12,594,995. Lifeline SPAC I will issue 21,791,821 Consideration Shares in connection with the Transaction to the Sellers. In addition, Lifeline SPAC I and the Sellers have agreed on an additional purchase price of 6,499,831 series C shares in the Combined Company, conditional on the share price performance of the Combined Company (for further information, see section “*The Transaction and the Transaction Agreement – Share Consideration – Earn-out*”). The Consideration Shares will not entitle the holders to the Investor Warrants.

As at the date of this Company Description, Lifeline SPAC I has issued 2,337,500 Sponsor Warrants for Lifeline SPAC I’s Sponsors and 495,833 Founder Warrants for the members of Lifeline SPAC I’s Management Team. If the EGM approves the Transaction, Lifeline SPAC I will issue one Investor Warrant for every three series A shares held by a shareholder. The Investor Warrants will be issued free of charge to the shareholders to be determined by the record date which is 30 days after the EGM. The total number of Investor Warrants to be issued depends on the number of redemption requests of series A shares, and the maximum number of Investor Warrants that can be issued is 3,364,998 (for further information on the redemption condition of series A shares, see section “*Shareholders’ Rights – Special Redemption Condition for Series A Shares in Accordance with the Articles of Association*”.) Each Sponsor Warrant, Founder Warrant and Investor Warrant entitles the holder to subscribe for one new share in the Combined Company. In addition, series B shares of Lifeline SPAC I may be converted into series A shares under certain conditions. The changes in Lifeline SPAC I’s number of shares are described below in the event all the warrants and other option rights issued by Lifeline SPAC I would be fully used for shares subscriptions and all the series B shares would be converted to series

A shares. Potential scenarios are listed in the first column of the table. Column 2 describes how many new series A shares may be issued as a result of that scenario. Column 3 describes the possible maximum of series A shares in total as a result of the different scenarios. Columns 4–7 describe the maximum of shares in total in the Combined Company as a result of different scenarios. Columns 5–7 also take into account the additional purchase price that is paid in series A shares of the Combined Company in three tranches depending on the development of the Combined Company's share price. The numbers of shares presented in columns 3–7 always take into account the scenarios presented above them so that the lowest presented number of shares in the last column is the biggest possible number of shares in the Combined Company after the scenarios presented in column 1.

	Maximum of new series A shares	**Maximum of series A shares in total**[1]	**Maximum of shares in total (without earn-out)**	**Maximum of shares in total (with Earn-Out Payment I)**	**Maximum of shares in total (with Earn-Out Payment II)**[2]	**Maximum of shares in total (with Earn-Out Payment III)**[3]
No conversions or subscriptions ..	0	31,886,816	34,386,816	36,243,909	38,101,002	40,886,647
Series B shares converted into series A shares	2,500,000	34,386,816	34,386,816	36,243,909	38,101,002	40,886,647
Series A shares are subscribed for with Sponsor Warrants	2,337,500	36,724,316	36,724,316	38,581,409	40,438,502	43,224,147
Series A shares are subscribed for with Founder Warrants	495,833	37,220,149	37,220,149	39,077,242	40,934,335	43,719,980
Series A shares are subscribed for with Investor Warrants............	3,364,998	40,585,147	40,585,147	42,442,240	44,299,333	47,084,978
Series A shares are subscribed for with Consideration Options	1,676,752	42,261,899	42,261,899	44,118,992	45,976,085	48,761,730
Series A shares are subscribed for with option rights under Option Plan 2024-II	500,074	42,761,973	42,761,973	44,619,066	46,476,159	49,261,804

[1] Taking into account the 10,094,995 series A shares already issued, and assuming no redemptions.
[2] Includes Earn-Out Payment I as well.
[3] Includes Earn-Out Payments I and II as well.

Lifeline SPAC I has prepared an example calculation of possible dilution of the shareholders' holdings as set out below. The first table describes the effect of the market price of the Listing Shares on the number of total shares. The second table describes the effect of the market price of the Listing Shares on the holdings between the Board of Directors and the Management Team of the Combined Company, the Sellers and the Secondary Tranche Investors and other owners. In the first example of the second table, the dilution effect is presented assuming that the Sponsor and Founder Warrants are exercised with a net subscription and in the second example assuming that the as Sponsor and Founder Warrants are exercised as ordinary subscriptions. For further information on net subscriptions with warrants, see "*Calculation of Net Subscriptions*" below. The example calculation has also been prepared assuming that the shareholders have not requested redemption of their shares in connection with the completion of the Transaction.

Imaginary market price of series A share after the acquisition (EUR)	**10.0**	**12.0**	**14.0**	**16.0**	**18.0**	**20.0**	**22.0**	**24.0**
The number of series A shares already issued..................................	10,094,995	10,094,995	10,094,995	10,094,995	10,094,995	10,094,995	10,094,995	10,094,995
Number of Consideration Shares directed to the Sellers	21,791,821	21,791,821	21,791,821	21,791,821	21,791,821	21,791,821	21,791,821	21,791,821
Number of series A shares received from the exercise of the Investor Warrants[1]	,0	3,364,998	3,364,998	3,364,998	3,364,998	3,364,998	3,364,998	3,364,998
Number of series B shares to be converted into series A shares	400,000	1,450,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Additional purchase price	0	0	1,857,093	1,857,093	3,714,186	3,714,186	6,499,831	6,499,831
Number of series A shares received from the exercise of the Consideration Options	1,676,752	1,676,752	1,676,752	1,676,752	1,676,752	1,676,752	1,676,752	1,676,752
Number of series A shares received from the exercise of options under Option Plan 2024-II..........................	0	0	142,874	142,874	285,748	285,748	500,074	500,074
Dilutive effect on the number of series A shares already issued.........	70%	74%	76%	76%	77%	77%	78%	78%

Imaginary market price of series A share after the acquisition (EUR)	**10.0**	**12.0**	**14.0**	**16.0**	**18.0**	**20.0**	**22.0**	**24.0**
Assuming that the Sponsor Warrants and the Founder Warrants are exercised with a net subscription								
The number of series A shares to be received from the net subscription of Sponsor Warrants and Founder Warrants[2]	0	0	405,051	708,776	944,969	1,133,900	1,288,464	1,417,257
Holdings (% of series A shares)								
The Combined Company's Board of Directors and Management Team	14%	14%	15%	15%	15%	15%	15%	15%
Sellers and Secondary Tranche Investors (excl. the Combined Company's Board of Directors and Management Team)	55%	49%	48%	48%	49%	49%	51%	51%
Other owners	30%	37%	37%	37%	36%	36%	34%	34%
Holdings (% of all shares and votes)								
The Combined Company's Board of Directors and Management Team	15%	14%	15%	15%	15%	15%	16%	16%
Sellers and Secondary Tranche Investors (excl. the Combined Company's Board of Directors and Management Team)	51%	47%	48%	48%	49%	49%	51%	51%
Other owners	34%	39%	37%	37%	36%	36%	34%	34%
Assuming that the Sponsor Warrants and the Founder Warrants are exercised in the ordinary way								
The number of series A shares received from exercising Sponsor Warrants and Founder Warrants [2]	0	2,833,333	2,833,333	2,833,333	2,833,333	2,833,333	2,833,333	2,833,333
Holdings (% of series A shares)								
The Combined Company's Board of Directors and Management Team	14%	15%	16%	16%	16%	16%	16%	16%
Sellers and Secondary Tranche Investors (excl. the Combined Company's Board of Directors and Management Team)	55%	45%	46%	46%	47%	47%	49%	49%
Other owners	30%	40%	39%	39%	37%	37%	35%	35%
Holdings (% of all Shares and votes)								
The Combined Company's Board of Directors and Management Team	15%	15%	15%	15%	16%	16%	16%	16%
Sellers and Secondary Tranche Investors (excl. the Combined Company's Board of Directors and Management Team)	51%	44%	46%	46%	47%	47%	49%	49%
Other owners	34%	41%	39%	39%	37%	37%	35%	35%

1) Assuming that all Investor Warrants have been exercised. The subscription price per share is EUR 11.50.
2) Assuming that all Founder Warrants and Sponsor Warrants have been exercised. The subscription price per share is EUR 12.00.

Calculation of Net Subscriptions

The Board of Directors of the Combined Company may resolve that the subscriptions of the Founder Warrants and the Sponsor Warrants are to be carried out as net subscriptions as set out in the conditions of the warrants. The net subscription price will be calculated based on the Combined Company's share price so that the number of shares to be subscribed depends on the share price of the Listing Shares of the Combined Company and the subscription price per share of the warrants. In net subscription the subscription price and the subscription ratio is changed so that the subscriber of the warrants may subscribe with the warrants the number of series A shares of the Combined Company corresponding to the net value of the warrants at a 0.01 EUR subscription price per share (reduced subscription price). The net value of the Founder Warrants and the Sponsor Warrants is calculated based on the difference of the share price and the original subscription price. The Combined Company's series A share's share price is the volume weighted average share price of the share in the First North marketplace during the previous 30 days excluding the three trading days preceding the subscription notice.

CAPITALISATION AND INDEBTEDNESS

The following table sets forth capitalisation and indebtedness of (i) Lifeline SPAC I as at 30 June 2024 on an actual basis based on Lifeline SPAC I's unaudited interim report as at and for the six months ended 30 June 2024, prepared in accordance with "IAS 34 – Interim Financial Reporting", and (ii) of the Combined Company as at 31 December 2023 on a pro forma basis to give effect to the Transaction and the Listing as if the Transaction and the Listing had been completed on 31 December 2023, prepared in accordance with FAS.

The following table should be read together with "*Selected Financial Information of Lifeline SPAC I*", "*Selected Financial Information of Canatu*", "*Unaudited Pro Forma Financial Information*" and Lifeline SPAC I's audited financial statements for the financial year ended 31 December 2023 and unaudited interim report as at and for the six months ended 30 June 2024 incorporated by reference into this Company Description as well as Canatu's audited financial statements for the financial year ended 31 December 2023 attached to this Company Description as Appendix C.

EUR thousand	30 June 2024 IFRS Lifeline SPAC I actual	31 December 2023 FAS Combined Company pro forma
	(unaudited)	
CAPITALISATION		
Total interest-bearing current debt (including current portion of non-current debt)		
Guaranteed / secured	-	1,111
Unguaranteed / unsecured	99,936	126
Total	**99,936**	**1,237**
Total interest-bearing non-current debt (excluding current portion of non-current debt)		
Guaranteed / secured	-	3,333
Unguaranteed / unsecured	-	2,746
Total	**-**	**6,080**
Equity		
Share capital	80	80
Reserve for invested unrestricted equity	4,285	116,033
Retained earnings	-568	-2,755
Result for the period	713	-287
Total equity	**4,510**	**113,071**
Total equity and liabilities	**104,446**	**120,388**
INDEBTEDNESS		
Cash and cash equivalents	132	104,178
Other financial assets	105,603[1]	1,344[2]
Liquidity (A)	**105,734**	**105,522**
Current portion of non-current interest-bearing debt	99,936	1,237
Current interest-bearing debt (B)	**99,936**	**1,237**
Net current financial indebtedness (C = B – A)	**-5,799**	**-104,286**
Non-current interest-bearing debt (excluding current portion)	-	6,080
Total non-current interest-bearing debt (D)	-	**6,080**
Total financial indebtedness (C + D)	**-5,799**	**-98,206**

1) Includes the funds deposited in the escrow account in connection with the Initial Listing, which will be released to the Combined Company after the completion of the Transaction and which have been presented in line "Cash and cash equivalents" in the Pro Forma Information.
2) Includes the Other investments included in Canatu's balance sheet.

According to estimates as at the date of this Company Description, the total costs for Lifeline SPAC I Canatu arising in connection with the Transaction, mostly consisting of expenses related to advisory services provided by the Joint Financial Advisors, financial reporting, legal matters and listing to First North marketplace, are expected to amount to approximately EUR 3,600 thousand, approximately EUR 550 thousand of which are Lifeline SPAC I's transaction costs, approximately EUR 750 thousand of which are Canatu's transaction costs and approximately EUR 2,300 thousand of which are costs related to the Listing. Lifeline SPAC I's share of costs incurred until 30 June 2024 has been presented in Lifeline SPAC I's six month figures for the period ended on 30 June 2024.

Under the Placing Agreement (as defined below), Lifeline SPAC I has undertaken to pay the Joint Financial Advisors a total maximum of EUR 1.5 million in remuneration for services rendered in connection with the Transaction. See "*Information on Lifeline SPAC I – Material Agreements – The Placing Agreement*". The total maximum of EUR 1.5 million remuneration for the Joint Financial Advisors is included in the Pro Forma Information as part of the transaction costs related to the Listing.

Lifeline SPAC I signed the Transaction Agreement with Canatu on 5 July 2024. For further information, see section "*The Transaction and the Transaction Agreement*".

Notwithstanding the above, as at the date of this Company Description, Lifeline SPAC I does not have material contractual obligations or off-balance sheet liabilities. For further information on Canatu's contractual obligations and off-balance sheet liabilities, see section "*Information on Canatu – Operating and Financial Review – Contractual Obligations and Off-Balance Sheet Liabilities*".

On 5 July 2024, Lifeline SPAC I's Sponsors Timo Ahopelto, Petteri Koponen and Juha Lindfors subscribed for a total of 94,995 new series A shares in a directed issue for a subscription price of EUR 10.00 per share in order to ensure the sufficiency of Lifeline SPAC I's working capital for the completion of the Transaction.

Apart from the events described above, there have been no material changes in Lifeline SPAC I's capitalisation and indebtedness between 30 June 2024 and the date of this Company Description.

Working Capital Statement

In the opinion of Lifeline SPAC I's management, the Combined Company's working capital is sufficient for the Combined Company's planned business needs for at least 12 months from the Listing.

SELECTED FINANCIAL INFORMATION OF LIFELINE SPAC I

The following tables present selected financial information of Lifeline SPAC I as at and for the financial years ended 31 December 2023 and 31 December 2022 and for the period from 13 August to 31 December 2021 and as at and for the six months ended 30 June 2024, including the comparative financial information for the six months ended 30 June 2023. The selected financial information presented below has been derived from Lifeline SPAC I's audited financial statements for the financial years ended 31 December 2023 and 31 December 2022 and for the period from 13 August to 31 December 2021 prepared in accordance with IFRS Accounting Standards as well as unaudited interim financial report as at and for the six months ended 30 June 2024 prepared in accordance with "IAS 34 – Interim Financial Reporting", including the unaudited comparative financial information for the six months ended 30 June 2023, all of which are incorporated by reference into this Company Description.

This selected financial information provided herein should be read together with "*Certain Matters – Presentation of Financial and Certain Other Information – Historical Financial Information of Lifeline SPAC I*" and Lifeline SPAC I's audited financial statements for the financial years ended 31 December 2023 and 31 December 2022 and for the period from 13 August to 31 December 2021 and unaudited interim financial report as at and for the six months ended 30 June 2024 incorporated by reference into this Company Description.

Income Statement

	For the six months ended 30 June		1 January–31 December		
EUR thousand	**2024**	**2023**	**2023**	**2022**	**2021**
Revenue	**-**	**-**		**-**	**-**
Employee benefits expenses	**-195**	**-195**	**-395**	**-374**	**-6,861**
Share based payments	-	-	-	-	-6,762
Wages and salaries	-169	-169	-336	-316	-86
Social security expenses	-26	-27	-58	-58	-13
Other operating expenses	-883	-542	-1,034	-289	-129
Operating profit (-loss)	**-1,077**	**-738**	**-1,429**	**-663**	**-6,990**
Financial income and expenses	**1,992**	**932**	**2,848**	**-889**	**-206**
Interest income and other financial income	2,102	1,416	3,442	373	-
Interest expense and other financial expenses	-110	-484	-595	-1,262	-206
Profit (-loss) before tax	**915**	**195**	**1,419**	**-1,552**	**-7,196**
Income taxes	-202	-	-	-	-
Result for the financial period	**713**	**195**	**1,419**	**-1,552**	**-7,196**
Result for the period attributable to the shareholders of the company	**713**	**195**	**1,419**	**-1,552**	**-7,196**
Earnings per share					
Basic and diluted earnings per share (EUR)[1]	0.29	0.08	0.57	-0.62	-4.27

[1] Earnings per share = Result for the financial period / Weighted average number of series B shares during the period. Redeemable series A shares as well as the Founder Warrants and the Sponsor Warrants are not taken into account as dilutive potential ordinary shares in the calculation of earnings per share.

Balance Sheet

EUR thousand	As at 30 June		As at 31 December		
	2024	2023	2023	2022	2021
	(unaudited)		(audited)		
Assets					
Non-current assets					
Other receivables	-	101,476[1]	-	-	100,000
Total non-current assets	**-**	**101,476**	**-**	**-**	**100,000**
Current assets					
Other receivables	105,603	22	103,544	100,080	125
Accrued income	61	51	30	35	89
Cash and cash equivalents	132	1,164	418	1,581	2,034
Total current assets	**105,795**	**1,237**	**103,992**	**101,696**	**2,248**
Total assets	**105,795**	**102,713**	**103,992**	**101,696**	**102,248**
Equity and liabilities					
Equity					
Issued capital	80	80	80	80	80
Reserve for invested unrestricted equity	4,285	4,285	4,285	4,285	4,285
Retained earnings	145	-1,792	-568	-1,986	-435
Total equity	**4,510**	**2,573**	**3,797**	**2,378**	**3,930**
Non-current liabilities					
Other financial liabilities (redeemable shares)	-	66,477[2]	-	-	65,508
Total non-current liabilities	**-**	**66,477**	**-**	**-**	**65,508**
Current liabilities					
Other financial liabilities (redeemable shares)	99,936	33,238	99,826	99,231	32,754
Accounts payable and other liabilities	1,350	425	369	86	56
Total current liabilities	**101,285**	**33,663**	**100,195**	**99,318**	**32,810**
Total liabilities	**101,285**	**100,140**	**100,195**	**99,318**	**98,318**
Total equity and liabilities	**105,795**	**102,713**	**103,992**	**101,696**	**102,248**

1) Lifeline SPAC I's annual general meeting held on 26 June 2023 granted an additional period of 12 months for the approval of the Acquisition, and the funds deposited in the escrow account in the Initial Listing were reclassified as non-current assets.
2) Lifeline SPAC I's annual general meeting held on 26 June 2023 granted an additional period of 12 months for the approval of the Acquisition, at which time 1/3 of the amortised cost (related to the redeemable shares) was recorded as current debt and 2/3 as non-current debt.

Statement of Changes in Equity

EUR thousand	Share capital	Reserve for invested unrestricted equity	Retained earnings	Total equity
As at 13 August 2021................	**0**	**0**	**0**	**0**
Issues of shares (B series) and warrants.....................................	80	4,285	0	4,365
Share based payments...............	0	0	6,762	6,762
Result for the period	0	0	-7,196	-7,196
As at 31 December 2021...........	**80**	**4,285**	**-435**	**3,930**
As at 1 January 2022	**80**	**4,285**	**-435**	**3,930**
Result for the period	0	0	-1,552	-1,552
As at 31 December 2022...........	**80**	**4,285**	**-1,986**	**2,378**
As at 1 January 2023	**80**	**4,285**	**-1,986**	**2,378**
Result for the period	0	0	1,419	1,419
As at 31 December 2023...........	**80**	**4,285**	**-568**	**3,797**
As at 1 January 2024	**80**	**4,285**	**-568**	**3,797**
Result for the period	0	0	713	713
As at 30 June 2024....................	**80**	**4,285**	**145**	**4,510**

Statement of Cash Flows

EUR thousand	For the six months ended 30 June 2024	For the six months ended 30 June 2023	1 January–31 December 2023	1 January–31 December 2022	13 August–31 December 2021
	(unaudited)			(audited)	
Cash flow from operating activities					
Profit (loss) before tax	915	195	1,419	-1,552	-7,196
Share based payments (personnel expenses)	-	-	-	-	6,762
Other adjustments[1]	110	484	595	969	206
Adjustment for interest paid from escrow account	-	-	-	287	-
Adjustment for interest received to escrow account	-2,097	-1,397	-3,408	-367	-
Change in working capital	786	301	231	209	-158
Total cash flow from operating activities	**-286**	**-417**	**-1,163**	**-453**	**-387**
Cash flow from investment activities	-	-	-	-	-
Total cash flow from investment activities	**-**	**-**	**-**	**-**	**-**
Cash flow from financing activities	-	-	-	-	-
Issue – Establishment of the company	-	-	-	-	-
Issue – A-series shares	-	-	-	-	100,000
Issue – B-series shares	-	-	-	-	100
Issue – founder warrants	-	-	-	-	11
Issue – sponsor warrants	-	-	-	-	4,254
Share issue expenses	-	-	-	-	-1,944
Transfer to escrow account	-	-	-	-	-100,000
Total cash flow from financing activities	**-**	**-**	**-**	**-**	**2,421**
Change in cash and cash equivalents	**-286**	**-417**	**-1,163**	**-453**	**2,034**
Change in cash and cash equivalents at the beginning of the period	418	1,581	1,581	2,034	-
Change in cash and cash equivalents at the end of the period	132	1,164	418	1,581	2,034
Change	**-286**	**-417**	**-1,163**	**-453**	**2,034**

1) Other adjustments consist of amortised financial expenses.

Distributable Equity Pursuant to Finnish Accounting Standards

Lifeline SPAC I has prepared its separate financial statements in accordance with IFRS Accounting Standards. However, according to Lifeline SPAC I's interpretation and expert opinions received by Lifeline SPAC I, the distributable equity is primarily defined based on principles outlined by the Finnish Companies Act and thus Finnish Accounting Standards. Applying the Finnish Accounting Standards, Lifeline SPAC I's distributable equity on 31 December 2023 was EUR 103.5 million.

Significant Changes in the Financial Position of Lifeline SPAC I

Lifeline SPAC I signed the Transaction Agreement with Canatu on 5 July 2024. For further information, see section "*The Transaction and the Transaction Agreement*".

On 5 July 2024, Lifeline SPAC I's Sponsors Timo Ahopelto, Petteri Koponen and Juha Lindfors subscribed for a total of 94,995 new series A shares in a directed issue for a subscription price of EUR 10.00 per share in order to ensure the sufficiency of Lifeline SPAC I's working capital for the completion of the Transaction. The Sponsors who subscribed for shares have committed (i) to waiving their right to distribution of assets prior to the completion of the Transaction that they would be entitled to by virtue of the series A shares subscribed for by such Sponsors and (ii) to delivering to Lifeline SPAC I these series A shares held by them without consideration if Lifeline SPAC I is placed into liquidation or in bankruptcy prior to the completion of the Transaction. In the same context, Lifeline SPAC I's Board of Directors decided to raise the maximum number of Investor Warrants to be issued from 3,333,333 Investor Warrants to 3,364,998 Investor Warrants in order to ensure that there will be enough available Investor Warrants to all holders of series A shares after the new series A shares have been issued.

Notwithstanding the above, in Lifeline SPAC I's view, there has been no significant change in its results of operations or financial position between 30 June 2024 and the date of this Company Description.

SELECTED FINANCIAL INFORMATION OF CANATU

The following tables present selected financial information of Canatu as at and for the financial years ended 31 December 2023, 31 December 2022 and 31 December 2021 prepared in accordance with Finnish Accounting Standards.

The selected financial information provided herein should be read together with sections "*Certain Matters – Presentation of Financial and Certain Other Information – Historical Financial Information of Canatu*" and "*Information on Canatu – Operating and Financial Review*" and Canatu's audited financial statements as at and for the financial years ended 31 December 2023, 31 December 2022 and 31 December 2021 attached to this Company Description as Appendix C.

Profit and Loss Account

	For the year ended 31 December		
EUR thousand	**2023**	**2022**	**2021**
		(audited)	
NET TURNOVER	**13,591**	**8,382**	**5,455**
Change in inventory of finished and work-in-progress products	156	–	–
Other operating income	2,855	1,196	547
Raw materials and services			
Raw materials and consumables			
Purchases during the financial period	-3,378	-1,886	-1,480
Stock change	279	–	–
External services	-430	-472	-265
Materials and external services total	**-3,530**	**-2,358**	**-1,745**
Staff expenses			
Wages and salaries	-6,254	-4,336	-3,513
Social security expenses			
Pension expenses	-1,150	-793	-620
Other social security expenses	-248	-157	-131
Staff expenses total	**-7,651**	**-5,285**	**-4,264**
Depreciation and reduction in value			
Depreciation according to plan	-918	-658	-749
Other operating expenses	-5,142	-3,717	-2,904
OPERATING PROFIT (LOSS)	**-640**	**-2,440**	**-3,660**
Financial income and expenses			
Other interest and financial income	4	7	7
Interest and other financial expenses	-682	-540	-277
Financial income and expenses total	**-678**	**-534**	**-270**
PROFIT (LOSS) BEFORE APPROPRIATIONS AND INCOME TAXES	**-1,318**	**-2,974**	**-3,930**
PROFIT (LOSS) FOR THE FINANCIAL YEAR	**-1,318**	**-2,974**	**-3,930**

Balance Sheet

EUR thousand	As at 31 December 2023	2022	2021
	(audited, unless otherwise stated)		
ASSETS			
NON-CURRENT ASSETS			
Intangible assets			
Intangible rights	1,101	918	766
Other capitalized long-term expenses	0	1	2
Intangible assets total	**1,101**	**919**	**768**
Tangible assets			
Buildings	1,665	1,769	1,873
Machinery and equipment	5,579	2,658	1,832
Other tangible assets	1,891	1,195	707
Advance payments and construction in progress	227	153	0
Tangible assets total	**9,362**	**5,775**	**4,411**
RECEIVABLES			
Inventory			
Materials and supplies	279	–	–
Finished products/goods	156	–	–
Total inventory	**435**	**–**	**–**
Short-term assets			
Account receivable	1,215	1,016	445
Other receivables	283	259	259
Accrued receivables	1,444	480	259
Total receivables	**2,942**	**1,754**	**962**
Other investments	1,344	1,344	6,341
Cash and cash equivalents	5,895	14,764	2,088
TOTAL ASSETS	**21,079**	**24,556**	**14,570**
LIABILITIES & EQUITY			
Shareholders' equity			
Share capital	8	8	8
Other equity	58,053	58,050	49,496
Retained earnings (loss)	-50,813	-47,839	-43,909
Profit (loss) for the financial period	-1,318	-2,974	-3,930
Capital and reserves total	**5,930**	**7,245**	**1,666**
LIABILITIES			
Long-term liabilities			
Convertible bonds	(1	5,000	-
Loans from financial institutions	6,080(1	8,518	6,351
Long-term liabilities, total	**6,080**	**13,518**	**6,351**
Short-term liabilities			
Convertible bonds	5,378(1		
Loans from financial institutions	1,237(1	1,305	3,972
Received prepayments	48	243	771
Accounts payable	701	772	705
Other liabilities	163	105	88
Accrued liabilities	1,515	1,368	1,018

Short-term liabilities, total................................	**9,069**	**3,793**	**6,553**
Total liabilities..	**15,148**	**17,311**	**12,905**
TOTAL LIABILITIES & EQUITY	**21,079**	**24,556**	**14,570**

[1)] Unaudited – the EUR 5,378 thousand convertible bond presented as non-current liability in the financial statements has been reclassified as current liability and the corresponding amount of loans from financial institutions has been reclassified from current liabilities to non-current liabilities.

Statement of Cash Flows

	For the financial years ended 31 December		
EUR thousand	**2023**	**2022**	**2021**
		(unaudited)	
Cash flow from operating activities:			
Profit (loss) before income taxes............................	-1,318	-2,974	-3,930
Adjustments for:			
Depreciation according to the plan.........................	918	658	741
Other income and expenses not including payments	-1,322	-	-
Financial income and expenses.............................	678	534	270
Cash flow before change in working capital	**-1,043**	**-1,782**	**-2,919**
Change in working capital:			
Change in current interest-free receivables	-1,188	-792	-179
Change in inventories	-435	-	-
Change in interest-free current debt.......................	-34	-94	1,177
Cash flow from operating activities before financial items and taxes.....................................	**-2,701**	**-2,668**	**-1,920**
Interest and other financial expenses paid.............	-678	-534	-270
Cash flow from operating activities (A)..............	**-3,378**	**-3,202**	**-2,190**
Cash flow from investing activities:			
Investments in tangible and intangible assets.........	-4,687	-2,172	-828
Cash flow from investing activities (B)	**-4,687**	**-2,172**	**-828**
Cash flow from financing activities:			
Share issues against payment...............................	3	8,554	-
Proceeds from borrowings	0	10,000	-
Repayments of non-current loans	-807	-5,500	-500
Cash flow from financing activities (C)..............	**-804**	**13,054**	**-500**
Change in cash and cash equivalents (A+B+C) .	**-8,869**	**7,680**	**-3,517**
Cash and cash equivalents at the beginning of the period[1]	**16,108**	**8,429**	**11,946**
Cash and cash equivalents at the end of the period[1]	**7,239**	**16,108**	**8,429**

[1)] Cash and cash equivalents also include Other investments.

Equity

EUR thousand	As at 31 December		
	2023	2022	2021
		(audited)	
Restricted equity			
Share capital, 1 January	8	8	8
Share capital, 31 December	8	8	8
Free equity			
Fund for invested unrestricted equity, 1 January	58,050	49,496	49,496
Increase in invested unrestricted equity	3	8,554	-
Fund for invested unrestricted equity, 31 December	58,053	58,050	49,496
Profit (loss) from previous financial years, 1 January	-50,813	-47,839	-43,909
Net profit (loss)	-1,318	-2,974	-3,930
Profit (loss) from previous financial years, 31 December	-52,130	-50,813	-47,839
Equity total 31 December	**5,930**	**7,245**	**1,666**
Distributable own capital			
Free equity	5,922	7,237	1,658
Capitalised development costs	-1,891	-1,195	-707
Distributable own capital	4,032	6,042	951

Financial Key Figures

The following table presents Canatu's selected financial key figures for the financial years ended 31 December 2023, 31 December 2022 and 31 December 2021. Certain financial key figures presented in the following table are Alternative Performance Measures. For further information on the definitions and reasons for the use of Alternative Performance Measures, see section "*– The Definitions and Reasons for the Use of Alternative Performance Measures*" below.

EUR thousand	For the financial year ended 31 December		
	2023	2022	2021
		(unaudited, unless otherwise stated)	
Net turnover[1]	13,591	8,382	5,455
Gross profit[2, 3]	9,632	5,503	3,330
Gross profit %[2, 3]	71%	66%	61%
EBITDA [3]	278[4]	-1,782	-2,911
EBITDA % [3]	2%[4]	-21%	-53%
Operating profit (loss), EBIT[1]	-640[4]	-2,440	-3,660
Operating profit (loss), EBIT %	-5%[4]	-29%	-67%
Profit (loss) for the financial year[1]	-1,318[4]	-2,974	-3,930
Equity ratio % [3]	28%[4]	30%	12%

1) Audited.
2) Based on Lifeline SPAC I's due diligence work, certain personnel expenses have been reclassified from operating expenses to cost of goods sold.
3) Alternative Performance Measure.
4) Includes approximately EUR 1.7 million conversion of a Business Finland loan into a grant, which has been recognised as other operating income.

The Definitions and Reasons for the Use of Alternative Performance Measures

The following table sets forth the definitions and reasons for use for the key performance measures of Canatu presented above that are not financial measures defined in the Finnish Accounting Standards and are called Alternative Performance Measures (APMs). These are used by Lifeline SPAC I as Lifeline SPAC I believes that these Alternative Performance Measures provide valuable information for investors and other stakeholders to evaluate the financial performance of Canatu. As not all companies calculate financial measures in the same way, they are not always comparable with similar measures used by other companies. These measures should therefore not be regarded as a substitute for measures defined under the Finnish Accounting Standards. The alternative performance measures are unaudited. For further information on Alternative Performance Measures, see section "*Certain Matters – Presentation of Financial and Certain Other Information – Alternative Performance Measures*".

Alternative performance measure	**Definition**	**Reason for use**
Gross profit	Net turnover less cost of goods sold. Cost of goods sold is calculated as a sum of materials and external services total, change in inventory of finished and work-in-progress products and production related variable staff expenses.	Shows Canatu's profitability from operations.
Gross profit %	Gross profit as a percentage of net turnover.	Gross profit % is an indication of Canatu's gross earnings capacity, over time.
EBITDA	Operating profit (loss) before depreciation according to plan.	The measure is used since it shows the profitability before financial items, taxes, depreciation, amortisation, and impairments and is used to analyse Canatu's operating activities.
EBITDA %	Operating profit (loss) before depreciation according to plan in relation to net turnover.	EBITDA margin is an indication of the profitability of operations in relation to net turnover, over time.
Equity ratio %	Shareholders' equity divided by total assets less received prepayments.	Used to measure solvency and describe the share of Canatu's assets financed by equity.

EUR thousand	For the financial year ended 31 December 2023	2022	2021
	(audited, unless otherwise stated)		
NET TURNOVER	**13,591**	**8,382**	**5,455**
Cost of goods sold:			
Change in inventory of finished and work-in-progress products	156	-	-
Materials and external services total	-3,530	-2,358	-1,745
Production related variable staff expenses(1, (2	-585	-522	-380
Total cost of goods sold(1	**-3,959**	**-2,880**	**-2,125**
GROSS PROFIT(3	**9,632**	**5,503**	**3,330**

1) Unaudited.
2) Based on Lifeline SPAC I's due diligence work, certain personnel expenses have been reclassified from operating expenses to cost of goods sold.
3) Alternative Performance Measure.

Significant Changes in the Financial Position of Canatu

According to Canatu's unaudited monthly management reports, Canatu's net turnover in H1/2024 was EUR 11.1 million which is based on orders delivered and partially allocated during H1/2024.

Canatu signed the Transaction Agreement with Lifeline SPAC I on 5 July 2024. For further information, see section "*The Transaction and the Transaction Agreement*".

Notwithstanding the above, in Canatu's view, there has been no significant change in its financial position or results of operations between 31 December 2023 and the date of this Company Description.

UNAUDITED PRO FORMA FINANCIAL INFORMATION

Basis of Compilation

General

The following pro forma combined financial information (the "**Pro Forma Information**") is presented for illustrative purposes only to give effect to the Transaction between Lifeline SPAC I and Canatu and the Listing of the Combined Company as if the Transaction and the Listing had been completed at an earlier date. The Pro Forma Information is unaudited. The hypothetical financial position and results included in the Pro Forma Information may differ from the Combined Company's actual financial position and results and the Pro Forma Information is not intended to give an indication of the financial position or results of the Combined Company in the future.

The Pro Forma Information has been compiled on a basis consistent with Annex 20 to the Commission Delegated Regulation (EU) 2019/980, and with the accounting principles to be applied by the Combined Company in its consolidated financial statements to be prepared in accordance with FAS following the Transaction and the Listing.

Basis of Presentation

The pro forma income statement for the year ended 31 December 2023 gives effect to the Transaction and the Listing as if those had occurred on 1 January 2023. The pro forma balance sheet as at 31 December 2023 gives effect to the Transaction and the Listing as if those had occurred on that date.

The Pro Forma Information reflects adjustments to the historical financial information that aim to highlight pro forma effect to events that are directly attributable to the Transaction and the Listing and are factually supportable. The pro forma adjustments include certain assumptions related to the valuation of the Consideration Shares, potential amount of additional purchase price, possible cash redemptions of Lifeline SPAC I's series A shares, accounting policy alignments and other events related to the Transaction and the Listing as described below, that the management believes are reasonable under the circumstances. Considering the fact that the final accounting impact of the Transaction and the Listing can only be determined at the date of the completion of the Transaction and the Listing, the pro forma adjustments presented herein are preliminary and based on information available at this time and accordingly, the Pro Forma Information is subject to change. There can be no assurance that the assumptions used in the preparation of the Pro Forma Information will prove to be correct. The assumptions used in the preparation of the Pro Forma Information have been described, as applicable, in the accompanying notes. The actual results of the Transaction and the Listing may materially differ from the assumptions used and pro forma adjustments reflected in the Pro Forma Information.

Transaction Between Lifeline SPAC I and Canatu

Lifeline SPAC I and Canatu announced on 5 July 2024 that they have entered into the Transaction Agreement, according to which Lifeline SPAC I acquires all outstanding shares, option rights and special rights entitling to shares in Canatu from the current shareholders and option rights holders of Canatu. The fixed purchase will be paid with 21,791,821 new Consideration Shares in Lifeline SPAC I through a directed share issue. The option rights held by Canatu's current option rights holders will be cancelled, and they will receive 1,676,752 new, fully vested option rights entitling to new series A shares in the Combined Company. The Consideration Shares will be automatically converted into series A shares in the Combined Company 60 days after the completion of the Transaction at a 1:1 conversion ratio.

In addition, Lifeline SPAC I and Sellers have agreed on an additional purchase price of up to 6,499,831 new Series A shares in the Combined Company which may become payable if the conditions of the additional purchase price are fulfilled (if the share price exceeds certain volume weighted average share prices). In addition, in connection with the Transaction Lifeline SPAC I will establish the Option Plan 2024-II, from which holders of option rights in Canatu will receive a total of 500,074 new option rights in the Combined Company which will vest in accordance with the same conditions than the additional purchase price becomes payable. Series A shares in the Combined Company to be possibly paid as additional purchase price will be offered to the Sellers for subscription without payment. For the Pro Forma Information it is assumed that maximum number of new shares will be issued and that maximum number of option rights in Option Plan 2024-II will vest as additional purchase price will become payable. For further information on the additional purchase price and Option Plan 2024-II, see sections "*The Transaction and the Transaction Agreement – Share Consideration –*

Earn Out" and "*The Transaction and the Transaction Agreement – Share Consideration – Option Plan 2024-II*".

In connection with the Transaction, certain Sellers have elected to sell a part of their shares in Canatu to certain Secondary Tranche Investors for a cash consideration immediately prior to the completion of the Transaction conditional on the completion of the Transaction. The shares correspond to approximately EUR 49.7 million, based on fixed enterprise value for Canatu of EUR 230 million. The Secondary Tranche transactions will be consummated prior to the completion of the Transaction. The Secondary Tranche Investors will become Sellers within this Transaction and will be entitled to the consideration as set forth in the Transaction Agreement, including the Consideration Shares and the additional purchase price. These Secondary Tranche sales have no effects in the Pro Forma Information.

The Transaction is subject to the approval of Lifeline SPAC I's EGM, convened to be held on 23 August 2024. The completion of the Transaction is subject to, inter alia, approval by the EGM of Lifeline SPAC I, as well as to other customary conditions. Current Lifeline SPAC I's shareholders of series A shares who vote against the completion of the Transaction at the EGM have the right to request that their series A shares be redeemed. In the Pro Forma Information it has been assumed that there will be no request for current Series A shares to be redeemed. For further information on all of the conditions precedent for the Transaction contained in the Transaction Agreement, see section "*The Transaction and the Transaction Agreement – Conditions Precedent of the Transaction Agreement*".

As at the date of this Company Description, Lifeline SPAC I has issued 2,337,500 Sponsor Warrants to the members of its Board of Directors and the Sponsor Committee as well as 495,833 Founder Warrants to the members of its Management Team. The subscription price for the shares to be subscribed for with the Sponsor Warrants and the Founder Warrants is EUR 12.00 per share. The Founder Warrants and the Sponsor Warrants entitle to subscribe for Lifeline SPAC I's series A shares 30 days after the completion of the Transaction, and the subscription right ceases in five years from the beginning of the subscription period.

In addition, if the EGM approves the Transaction, Lifeline SPAC I issues a total maximum of 3,364,998 Investor warrants to those shareholders who do not vote against the Transaction and require the redemption of their series A shares. One Investor Warrant that entitles its holder to subscribe for one new series A share for a subscription price of EUR 11.50 per share will be offered free of charge for every three series A shares owned by a shareholder. The subscription period for the series A shares to be subscribed for with the Investor Warrants begins 30 days after the Combined Company's shares have been admitted to trading on the First North marketplace and runs for five years after the commencement of the subscription period. See section "*The Transaction and the Transaction Agreement – Investor Warrants – Series 2021-C*".

In the Pro Forma Information it has been assumed that no shares are subscribed based on warrants, hence these warrants do not have any pro forma effects except on diluted EPS.

Lifeline SPAC I's series B shares may be converted into series A shares if the closing price of the series A shares has equalled certain share price limits during any ten trading days in the period of 30 trading days calculated from the date on which the EGM decides to approve the Transaction. For the Pro Forma Information it is assumed that no series B shares have been converted.

After the completion of the Transaction including the conversion of Consideration Shares, the current shareholders (including the Secondary Tranche Investors) of Canatu would own 68 per cent and current shareholders of Lifeline SPAC I would own 32 per cent of the series A shares in the Combined Company. The percentages have been presented without the dilution caused by potential share subscriptions to be made with Lifeline SPAC I's Investor Warrants.

In its Initial Listing on 14 October 2021, Lifeline SPAC I raised gross proceeds of EUR 100 million, which were deposited on an escrow account. Subject to the approval of the Transaction in the EGM, the escrow funds (including accrued interest income and taken into account on possible redemption requests of series A shares, Transaction related taxes and certain Transaction related costs) will be released to the Combined Company.

For further information, see section "*Information on Lifeline SPAC I – Material Agreements – The Escrow Account Agreement with Danske*".

Subject to the approval of Lifeline SPAC I's EGM and as a result of the completion of the Transaction, Canatu will become a wholly-owned subsidiary of Lifeline SPAC I.

Lifeline SPAC I intends to apply for the listing of the Combined Company's series A shares to public trading on the First North marketplace.

Accounting Policies Applied and Transaction Accounting

Following the completion of the Transaction and the Listing, the Combined Company will prepare its consolidated financial statements in accordance with FAS, hence the Pro Forma Information is presented in accordance with Finnish Accounting Standards. Lifeline SPAC I has performed preliminary review of Canatu's accounting policies and presentations of financial statements. Upon completion of the Transaction and the Listing, Lifeline SPAC I will conduct a detailed review of Canatu's accounting policies and financial statement presentation. As a result of that review, the Combined Company may identify additional accounting policy or financial statement presentation topics that could have further impact on the Combined Company's financial information. Further, the accounting policies to be applied by the Combined Company in the future may differ from the accounting policies applied in the Pro Forma Information.

The share exchange is handled according to the Finnish Accounting Standards using the acquisition method, where the difference between the acquisition cost and the book value of acquired assets and liabilities is capitalised as goodwill. Since Lifeline SPAC I has not had any other business operations than administration related to identifying a target company and its business is not expected to generate revenue and since after the share exchange the Sellers own the majority of the Combined Company, the share exchange and the combination of the companies are intended to be carried out using the book values of Canatu's assets and liabilities, resulting in no capitalised goodwill from the share exchange itself. In connection with the Transaction, goodwill arises from the transfer tax and transaction costs paid in cash. This goodwill is amortised over the economic impact period according to the principles of FAS.

Historical Financial Information

Lifeline SPAC I

In the Pro Forma Information historical financial information for Lifeline SPAC I has been derived from Lifeline SPAC I's audited financial statements for the financial year ended 31 December 2023 prepared in accordance with IFRS Accounting Standards and incorporated by reference to this Company Description.

In the compiling the pro forma financial information Lifeline SPAC I's historical financial information has been adjusted to comply with Finnish Accounting Standards, as following the completion of the Transaction and the Listing the Combined Company will prepare its consolidated financial statements in accordance with Finnish Accounting Standards. Adjustments relate to reclassification on redeemable A shares recognised as liabilities net of transaction costs under IFRS Accounting Standards to be accounted for as equity under Finnish Accounting Standards and the accounting for the amount of transaction costs related to the Initial Listing not yet expensed under IFRS Accounting Standards. The effects of the adjustments in accordance with Finnish Accounting Standards on the audited financial statements of Lifeline SPAC I prepared in accordance with IFRS Accounting Standards are presented in note 1 to the unaudited Pro Forma Information.

Canatu

In the Pro Forma Information historical financial information of Canatu Oy has been derived from Canatu's audited financial statements for the financial year ended 31 December 2023 prepared in accordance with Finnish Accounting Standards and attached to this Company Description as Appendix C.

For the Pro Forma Information, Canatu's historical financial information has been adjusted with the impact of Canatu's fully owned subsidiary Canatu USA, which has not been consolidated to Canatu's financial statements for the financial year ended 31 December 2023. For the Pro Forma Information Canatu's historical financial information has also been adjusted to give pro forma effects to the events directly attributable to the Transaction and the Listing which are expected to be completed prior to the completion of the Transaction consisting of conversion of Canatu's convertible loan, share subscription with Canatu's options, estimated option-related personnel side costs and estimated transaction costs to be paid by Canatu. The effects of the adjustments on the audited financial statements of Canatu are presented in note 2 to the unaudited Pro forma Information.

Other Considerations

Canatu has received two separate product development loans classified as state aid from Business Finland for a total of two separate product development projects. According to the loan agreements, Canatu must obtain consent from Business Finland for the Transaction, which it expects to receive before the completion of the Transaction. The Pro Forma Information assumes that Canatu will receive the consent.

A directed share issue of 94,995 series A shares to certain Lifeline SPAC I's Sponsors decided by Lifeline SPAC I's Board of Directors on 5 July 2024 has not been taken into account in the Pro Forma Information.

All figures in the Pro Forma Information are presented in thousand euros unless otherwise indicated and are rounded. Accordingly, in certain instances, the sum of the figures in a column or a row in tables may not conform exactly to the total figure given for that column or row.

Independent practitioner's assurance report on the compilation of the Pro Forma Information included in the Company Description is attached to this Company Description as Appendix B.

Unaudited Pro Forma Income Statement for the year ended 31 December 2023

		Pro forma adjustment		Pro forma adjustments			
EUR thousand	**LLSPAC I historical (IFRS) audited**	LLSPAC I FAS adjust-ments (Note 1)	**LLSPAC I (FAS)**	Canatu (Note 2)	Trans-action (Note 3)	Listing fees (Note 4)	**Combined Company Pro forma**
REVENUE	**-**	**-**	**-**	**13,591**	**-**	**-**	**13,591**
Change in inventory of finished and work-in-progress products	-	-	-	156	-	-	156
Other operating income	-	-	-	2,855	-	-	2,855
Materials and services total	-	-	-	-3,530	-	-	-3,530
Personnel expenses total	-395	-	-395	-8,254	-	-	-8,649
Depreciation, amortization and impairment	-	-	-	-918	-563	-	-1,481
Other operating expenses	-1,034	-	-1,034	-4,847	-	-	-5,881
OPERATING PROFIT (LOSS)	**-1,429**	**-**	**-1,429**	**-947**	**-563**	**-**	**-2,939**
Finance income and expenses total	2,848	595	3,442	-1,122	-	-2,300	20
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES	**1,419**	**595**	**2,013**	**-2,070**	**-563**	**-2,300**	**-2,919**
Income tax expenses	-	-	-	-2	-	-	-2
PROFIT (LOSS) FOR THE FINANCIAL YEAR	**1,419**	**595**	**2,013**	**-2,072**	**-563**	**-2,300**	**-2,922**

Basic and diluted earnings per share (EUR)	-0.09

Unaudited Pro Forma Balance Sheet as at 31 December 2023

EUR thousand	LLSPAC I historical (IFRS) audited	Pro forma adjustments LLSPAC I FAS adjustments (Note 1)	LLSPAC I (FAS)	Pro forma adjustments Canatu (Note 2)	Transaction (Note 3)	Listing fees (Note 4)	Combined Company Pro forma
ASSETS							
NON-CURRENT ASSETS							
Goodwill.............................	-	-	-	-	5,629	-	5,629
Intangible assets................	-	-	-	1,101	-	-	1,101
Property, plant and equipment..........................	-	-	-	9,362	-	-	9,362
Total non-current assets	**-**	**-**	**-**	**10,463**	**5,629**	**-**	**16,092**
CURRENT ASSETS							
Inventory............................	-	-	-	435	-	-	435
Accounts receivable...........	-	-	-	1,215	-	-	1,215
Other receivables...............	103,544	-	103,544	283	-103,544	-	283
Accrued income.................	30	-	30	1,444	-	-	1,474
Other investments..............	-	-	-	1,344	-	-	1,344
Cash and cash equivalents.	418	-	418	6,335	99,725	-2,300	104,178
Total current assets.........	**103,992**	**-**	**103,992**	**11,056**	**-3,819**	**-2,300**	**108,929**
TOTAL ASSETS	**103,992**	**-**	**103,992**	**21,519**	**1,811**	**-2,300**	**125,021**
EQUITY							
Share capital......................	80	-	80	8	-8	-	80
Reserve for invested unrestricted equity	4,285	100,000	104,285	65,191	-53,442	-	116,033
Translation differences	-	-	-	1	-1	-	-
Retained earnings (loss).....	-1,986	-769	-2,755	-50,838	50,838	-	-2,755
Profit (loss) for the financial year....................................	1,419	595	2,013	-2,613	2,613	-2,300	-287
TOTAL EQUITY	**3,797**	**99,826**	**103,623**	**11,749**	**-**	**-2,300**	**113,071**
NON-CURRENT LIABILITIES							
Loans from financial institutions..........................	-	-	-	6,080	-	-	6,080
Other non-current liabilities.	-	-	-	-	-	-	-
Total non-current liabilities	**-**	**-**	**-**	**6,080**	**-**	**-**	**6,080**
CURRENT LIABILITIES							
Other financial liabilities (redeemable shares)	99,826	-99,826	-	-	-	-	-
Loans from financial institutions..........................	-	-	-	1,237	-	-	1,237
Received prepayments.......	-	-	-	48	-	-	48
Accounts payable	266	-	266	701	-	-	967
Other liabilities....................	11	-	11	165	-	-	176
Accrued liabilities...............	92	-	92	1,540	1,811	-	3,443
Total current liabilities......	**100,195**	**-99,826**	**369**	**3,691**	**1,811**	**-**	**5,870**
TOTAL EQUITY AND LIABILITIES	**103,992**	**-**	**103,992**	**21,519**	**1,811**	**-2,300**	**125,021**

See accompanying notes to the Pro Forma Information

Notes to the Pro Forma Information

The following unaudited pro forma adjustments will have a continuing impact on the Combined Company's results or financial position, unless otherwise indicated.

Note 1 – Lifeline SPAC I FAS adjustments

Lifeline SPAC I's financial statement for the financial year ended 31 December 2023 has been prepared in accordance with the IFRS Accounting Standards. Following completion of the Transaction and the Listing, the Combined Company will prepare its consolidated financial statements in accordance with Finnish Accounting Standards, using the accounting policies materially consistent with those currently applied by Canatu.

In Lifeline SPAC I's financial statement for the financial year ended 31 December 2023 prepared in accordance with IFRS Accounting Standards, Lifeline SPAC I's series A shares are IAS 32 Financial instruments due to the redemption condition connected to them, and the subscription prices of shares, deducted by the transaction costs relating to the Initial Listing, are recorded as liability until the completion of the Transaction and booked at amortised cost and subsequently measured using the effective interest rate (EIR) method. The EIR amortisation is included as finance costs in the statement of profit or loss.

Under Finnish Accounting Standards, Lifeline SPAC I's series A shares are recorded as equity and the transaction costs relating to the Initial Listing should have been expensed in 2021 when incurred.

Lifeline SPAC I's FAS adjustment in the pro forma income statement relates to the elimination of the transaction costs of EUR 595 thousand recognised as finance costs using the EIR method under IFRS Accounting Standards increasing the result for the period under Finnish Accounting Standards.

Lifeline SPAC I's FAS adjustments in the pro forma balance sheet relate to the reclassification of Lifeline SPAC I's series A shares recognised as a liability net of transaction costs relating to the Initial Listing of EUR 99,826 thousand under IFRS Accounting Standards. Under Finnish Accounting Standards, the subscription prices of shares of EUR 100,000 thousand increase the reserve for invested unrestricted equity and decrease the net of retained earnings and result for the period of EUR 174 thousand for to the unamortised portion of the transaction costs relating to the Initial Listing.

Note 2 – Canatu

Canatu's financial statement for the financial year ended 31 December 2023 has been prepared in accordance with Finnish Accounting Standards. The following table sets forth the pro forma adjustments made for Canatu for the pro forma income statement and pro forma balance sheet purposes.

Adjustments related to Canatu for the unaudited pro forma income statement for the financial year ended 31 December 2023

EUR thousand	**Canatu historical (FAS) audited**	Canatu USA (2a)	Elimination of inter-company transactions (2a)	Convertible loan interest cost elimination (2b)	Option-related personnel side costs, management bonus and transaction costs (2d)	**Canatu (Note 2)**
REVENUE	**13,591**	**367**	**-367**	**-**	**-**	**13,591**
Change in inventory of finished and work-in-progress products	156	-	-	-	-	156
Other operating income	2,855	-	-	-	-	2,855
Materials and services total	-3,530	-	-	-	-	-3,530
Personnel expenses total	-7,651	-245	-	-	-358	-8,254
Depreciation, amortization and impairment	-918	-	-	-	-	-918
Other operating expenses	-5,142	-71	367	-	-	-4,847
OPERATING PROFIT (LOSS)	**-640**	**51**	**-**	**-**	**-358**	**-947**
Finance income and expenses total	-678	-	-	305	-750	-1,122
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES	**-1,318**	**51**	**-**	**305**	**-1,108**	**-2,070**
Income tax expenses	-	-2	-	-	-	-2
PROFIT (LOSS) FOR THE FINANCIAL YEAR	**-1,318**	**49**	**-**	**305**	**-1,108**	**-2,072**

Adjustments related to Canatu for the unaudited pro forma balance sheet as at 31 December 2023

In EUR thousand	**Canatu Historical (FAS) audited, unless otherwise stated**	Canatu USA (2a)	Convertible loan (2b)	Share subscription with options (2c)	Option-related personnel side costs, management bonus and transaction costs (2d)	**Canatu (Note 2)**
ASSETS						
NON-CURRENT ASSETS						
Intangible assets	1,101	-	-	-	-	1,101
Property, plant and equipment	9,362	-	-	-	-	9,362
Total non-current assets	**10,463**	**-**	**-**	**-**	**-**	**10,463**
CURRENT ASSETS						
Inventory	435	-	-	-	-	435
Accounts receivable	1,215	0	-	-	-	1,215
Other receivables	283	-	-	-	-	283
Accrued income	1,444	-	-	-	-	1,444
Other investments	1,344	-	-	-	-	1,344
Cash and cash equivalents	5,895	27	-	1,522	-1,108	6,335
Total current assets	**10,616**	**27**	**-**	**1,522**	**-1,108**	**11,056**
TOTAL ASSETS	**21,079**	**27**	**-**	**1,522**	**-1,108**	**21,519**
EQUITY						
Share capital	8	-	-	-	-	8
Reserve for invested unrestricted equity	58,053	-	5,616	1,522	-	65,191
Translation differences	-	1	-	-	-	1
Retained earnings (loss)	-50,813	-25	-	-	-	-50,838
Profit (loss) for the financial year	-1,318	49	-236	-	-1,108	-2,613
TOTAL EQUITY	**5,930**	**25**	**5,380**	**1,522**	**-1,108**	**11,749**
NON-CURRENT LIABILITIES						
Loans from financial institutions	6,080[1]	-	-	-	-	6,080
Total non-current liabilities	**6,080**	**-**	**-**	**-**	**-**	**6,080**
CURRENT LIABILITIES						
Convertible bonds	5,378[1]	-	-5,378	-	-	-
Loans from financial institutions	1,237[1]	-	-	-	-	1,237
Received prepayments	48	-	-	-	-	48
Accounts payable	701	-	-	-	-	701
Other liabilities	163	2	-	-	-	165
Accrued liabilities	1,542	-	-2	-	-	1,540
Total current liabilities	**9,069**	**2**	**-5,380**	**-**	**-**	**3,691**
TOTAL EQUITY AND LIABILITIES	**21,079**	**27**	**-**	**1,522**	**-1,108**	**21,519**

1) Unaudited – the EUR 5,378 thousand convertible bond presented as non-current liability in the financial statements has been reclassified as current liability and the corresponding amount of loans from financial institutions has been reclassified from current liabilities to non-current liabilities.

2a) Canatu USA

Canatu has a fully owned subsidiary Canatu USA, but it has not historically prepared consolidated financial statements pursuant to Chapter 6, Section 1 of the Finnish Accounting Act (1336/1997, as amended) as the subsidiary is not material to give true and fair view. For purposes of the Pro Forma Information, Canatu USA has been consolidated to Canatu's historical financial information for the financial year ended 31 December 2023 by using Canatu USA's unaudited historical financial information for the year ended 2023 presented in US dollars, which have been translated into euros using the average USD to EUR foreign exchange rate of

1.081 for the financial year ended 31 December 2023 and an exchange rate of 1.105 for the balance sheet as at 31 December 2023 resulting in translation difference of EUR 1 thousand in equity.

In the combination, the intercompany transactions between Canatu USA and Canatu are eliminated. Accordingly, EUR 367 thousand of intercompany invoicing between Canatu and Canatu USA has been eliminated from Canatu USA's revenue and Canatu's other operating expenses in the pro forma income statement.

2b) Convertible loan

Canatu has issued a convertible loan in the aggregate principal amount of EUR 5 million to Varma Mutual Pension Insurance Company ("**Varma**") pursuant to the Convertible Loan Agreement dated 27 September 2022. Varma has the right to convert the convertible loan into shares in the Combined Company in connection with the Transaction. Subscription for shares based on the convertible loan shall occur on or before the completion of the Transaction. For purposes of the Pro Forma Information, the convertible loan and the associated interest expenses until the date of completion of the Transaction, a total of EUR 5,616 thousand, are assumed to be converted into Canatu's shares. Accordingly, the EUR 5,000 thousand convertible loan of and the associated interest expenses of EUR 380 thousand from years 2022 and 2023 recognised as liability in Canatu's historical balance sheet are adjusted from liabilities into reserve for invested unrestricted equity. The estimated EUR 236 thousand of interest expenses for 2024 until the date of completion of the Transaction of not yet recognised for the Canatu's historical balance sheet is adjusted into reserve for invested unrestricted equity and as a reduction of the result for the period in the pro forma balance sheet.

The accrued interest expense of EUR 305 thousand from the convertible loan for 2023 that is recorded as an interest expense in Canatu's historical income statement, is eliminated from the pro forma income statement.

This adjustment will not have a continuing impact on the Combined Company's results of operations.

2c) Share subscription with options

During its history, Canatu has borrowed from the European Investment Bank ("**EIB**"), and as part of loans granted options to EIB. In the Pro Forma Information it has been assumed that EIB exercises the option rights with a total subscription price of EUR 3 thousand before the completion of the Transaction, which increases cash and cash equivalents and reserve for invested unrestricted equity in the pro forma balance sheet.

In the Pro Forma Information it has also been assumed that before the completion of the Transaction a total of 192,687 option rights granted to Canatu's management and personnel are exercised and new shares of Canatu are subscribed with total subscription price of EUR 1,519 thousand, which increases cash and cash equivalents and reserve for invested unrestricted equity in Canatu's pro forma balance sheet.

2d) Option-related personnel side costs, management bonus and transaction costs

The estimated pension and other side costs of EUR 158 thousand related to Canatu's option rights to be exercised before the completion of the Transaction are expected to be paid in the Pro Forma information. These costs increase personnel side costs and decrease the result for the financial period in the pro forma income statement. In addition to decreasing the result for the financial period, these costs decrease cash and cash equivalents in the pro forma balance sheet.

In connection with the completion of the Transaction, Canatu's management team is entitled to a one-time bonus. The estimated amount of the management bonus with related personnel side costs, a total of EUR 200 thousand, increases personnel expenses and decreases the result for the financial period in the pro forma income statement. In addition to the decrease in the result for the financial year, these costs decrease cash and cash equivalents in the pro forma balance sheet.

Estimated transaction costs of EUR 750 thousand to be incurred by Canatu related to the Transaction are expected to be paid. These costs increase interest expense and other financial expenses in the pro forma income statement. In addition to the decrease in the result for the period, these costs decrease cash and cash equivalents in the pro forma balance sheet.

This adjustment will not have a continuing impact on the Combined Company's results of operations.

Note 3 – Transaction

The following table sets forth the pro forma Transaction impacts for the pro forma balance sheet as at 31 December 2023.

Adjustments related to the Transaction for the unaudited pro forma balance sheet as at 31 December 2023

EUR thousand	Issue of Consideration shares and earn-outs (3a)	Transfer tax (3c)	Transaction costs (3d)	Goodwill (3e)	Escrow account (3f)	**Transaction (Note 3)**
ASSETS						
NON-CURRENT ASSETS						
Goodwill..........................	-	-	-	5,629	-	5,629
Subsidiary shares	11,749	5,079	550	-17,378	-	-
Total non-current assets	**11,749**	**5,079**	**550**	**-11,749**	**-**	**5,629**
CURRENT ASSETS						
Other receivables...........					-103,544	-103,544
Cash and cash equivalents		-3,269	-550		103,544	99,725
Total current assets......	**-**	**-3,269**	**-550**	**-**	**-**	**-3,819**
TOTAL ASSETS	**11,749**	**1,811**	**-**	**-11,749**	**-**	**1,811**
EQUITY						
Share capital..................	-	-	-	-8	-	-8
Reserve for invested unrestricted equity	11,749	-	-	-65,191	-	-53,442
Translation differences ...	-	-	-	-1	-	-1
Retained earnings (loss).	-	-	-	50,838	-	50,838
Profit (loss) for the financial year................................	-	-	-	2,613	-	2,613
TOTAL EQUITY	**11,749**	**-**	**-**	**-11,749**	**-**	**-**
CURRENT LIABILITIES						
Accrued liabilities............	-	1,811	-	-	-	1,811
Total current liabilities..	**-**	**1,811**	**-**	**-**	**-**	**1,811**
TOTAL EQUITY AND LIABILITIES..................	**11,749**	**1,811**	**-**	**-11,749**	**-**	**1,811**

Acquisition cost of Canatu for pro forma purposes

	Note information	**In EUR thousand**
Consideration Shares issued...	Note 3a)	11,749
Additional purchase price (Earn-out)	Note 3a)	0
New option rights entitling to series A shares in Lifeline SPAC I................................	Note 3b)	0
Transfer tax 1,5% from fair value	Note 3c)	5,079
Estimated transaction costs to be incurred by Lifeline SPAC I	Note 3d)	550
Total acquisition cost of Canatu (subsidiary shares)		**17,378**
Acquired pro forma net assets of Canatu as at 31 December 2023............................	**Note 2**	**11,749**
Goodwill	**Note 3e)**	**5,629**

3a) Issue of Consideration shares and additional purchase price (Earn-out)

For purposes of the Pro Forma Information, the purchase of all outstanding shares in Canatu from the current shareholders for consideration paid with Consideration shares is expected to completed as share exchange with carrying values. The number of the Considerations Shares to be issued is expected to be 21,791,821 new shares and the carrying value of the Consideration Shares issued EUR 11,749 thousand, based on the carrying value of Canatu's acquired pro forma net assets as at 31 December 2023 after pro forma adjustments as per

Note 2 above. In the pro forma balance sheet, the value of the Consideration Shares issued is recognised in reserve for invested unrestricted equity and capitalised in as part of acquisition cost of subsidiary shares.

Since additional purchase price is expected to be executed with directed share issue of series A shares without payment in accordance with the Finnish Companies Act, in accordance with the Finnish Accounting Standards it has no effect on the acquisition cost or the Pro Forma Information except for transfer tax described below in item 3c) and on diluted EPS, on which it has been assumed that the conditions of the maximum additional purchase price are fulfilled. In accordance with the Finnish Accounting Standards, the financial effect of Option Plan 2024-II will not realise until when the option rights are used for subscribing for shares.

3b) Options

In connection with the Transaction, Canatu's current option programs will be cancelled, and a new option program is established by the Lifeline SPAC I, from which holders of option rights in Canatu will receive new, fully vested option rights in the Combined Company.

New fully vested option rights given as consideration have no effects on the Pro Forma Information prepared in accordance with Finnish Accounting Standards with apart from diluted EPS. The financial effects will realise when option rights are used for subscribing for shares.

3c) Transfer tax

Lifeline SPAC I will pay transfer tax of 1.5 per cent in connection with the Transaction based on the estimated fair value of the Canatu's shares to be acquired. For estimating the pro forma transfer tax, it is assumed that the maximum amount of additional purchase price will be realised.

The total estimated transfer tax of EUR 5,079 thousand has been capitalised in as part of the acquisition cost of the subsidiary shares in the pro forma balance sheet. The portion of estimated transfer tax to be paid in connection with the completion of the Transaction of EUR 3,269 thousand (excluding the additional purchase price) has been deducted from cash and cash equivalents and the portion of transfer tax related to the additional purchase price of EUR 1,811 thousand has been recognised in accrued liabilities.

3d) Transaction costs

Lifeline SPAC I estimates that the transaction costs incurred by it and Canatu will be EUR 550 thousand, mostly consisting of expenses related to advisory services provided by the Joint Financial Advisors, financial reporting, legal matters and listing to First North marketplace. In the pro forma balance sheet the estimated transaction costs of EUR 550 thousand have been deducted from cash and cash equivalents and capitalised in as part of acquisition cost of the subsidiary shares.

3e) Goodwill

In the Pro Forma Information the Transaction is accounted for in accordance with Finnish Accounting Standards using the acquisition method under which the difference between the acquisition cost and book value of the acquired net assets is capitalised as goodwill on consolidation.

In pro forma balance sheet the total acquisition cost of the subsidiary shares of EUR 17,378 thousand and equity items corresponding to Canatu's pro forma net assets of EUR 11,749 thousand are eliminated from the balance sheet and the amount of goodwill recognised is EUR 5,629 thousand.

In the Pro Forma Information it is assumed that the consolidated goodwill is amortised on a straight line basis using amortisation period of 10 years according to a predetermined plan. The pro forma adjustment recorded in the pro forma income statement of EUR 563 thousand represents the amortisation expense for twelve-month period.

3f) Escrow

As a result of the Transaction, the funds raised in Lifeline SPAC I's Initial Listing in 2021 deposited on the escrow account will be released to the Combined Company. In the Pro Forma Information it has been assumed that no redemptions from Lifeline SPAC I's series A shares shareholders are made in connection with the Transaction. In the pro forma balance sheet the escrow funds of EUR 103,544 thousand presented in Lifeline

SPAC I's balance sheet as at 31 December 2023 (including accrued interest income until end of the year 2023) have been reclassified from other receivables to cash and cash equivalents.

Note 4 – Listing fees

The estimated listing fees to be incurred by Lifeline SPAC I in connection with the Listing amount to approximately EUR 2,300 thousand, including a fee of EUR 1,500 thousand to the Joint Financial Advisors from the proceeds raised in the Initial Listing if Lifeline SPAC I succeeds in completing the Transaction and the Listing.

In the pro forma income statement, EUR 2,300 thousand has been recorded as an increase in financial expenses. In the pro forma balance sheet, the total estimated listing fees of EUR 2,300 thousand have been deducted from cash and cash equivalents and EUR 2,300 thousand has been eliminated from the retained earnings.

This adjustment will not have a continuing impact on the Combined Company's results of operations.

Note 5 – Pro forma earnings per share

Pro forma basic earnings per share is calculated by dividing the pro forma profit (loss) for the financial year by the pro forma weighted average number of shares outstanding, in which pro forma number of shares is calculated with the historical weighted average amount of series B shares in addition to the historical outstanding amount of series A shares that no longer have redemption rights due to completion of the Transaction, assuming that no redemptions are made in connection with the Transaction, as well as the amount of the Consideration Shares issued as series C shares, assuming that no changes regarding these shares have occurred during the period presented.

Pro forma diluted earnings per share is calculated by dividing the pro forma profit (loss) for the financial year by the pro forma weighted average number of diluted shares outstanding , in which the dilution effect of pro forma number of shares includes maximum number of shares to be subscribed for with the Sponsor Warrants, the Founder Warrants and the Investor Warrants, maximum number of shares subscribed for with option rights to be granted in connection with the Transaction and the maximum number of shares issued in connection with the additional purchase price, assuming that no changes regarding these have occurred during the period presented.

The following table sets forth the pro forma earnings per share for the period indicated:

EUR thousand, unless otherwise stated	**For the financial year ended 31 December 2023, Pro forma**
Pro forma profit (loss) for the financial year	-2,922
Weighted average number of shares outstanding, historical (series B)	2,500,000
Historical series A shares (Redemption rights removed in connection with the Transaction, assumed no redemptions requested)(1	10,000,000
The Consideration Shares (series C) to be issued in connection with the Transaction, which will be converted to series A shares(2	21,791,821
Pro forma weighted average number of shares outstanding, basic(1	34,291,821
Pro forma earnings per share, EUR (basic and diluted)(3	**-0.09**

1) Not including the directed share issue of 94,995 series A shares to Lifeline SPAC I's Sponsors announced on 5 July 2024.

2) Not including shares potentially issued in connection with the additional purchase price.

3) As the Combined Company's pro forma result for the financial year shows a loss, the warrants, options and additional purchase price do not have a dilutive effect and therefore the basic and diluted earnings per share are the same.

The following table sets forth the pro forma number of shares for illustrative purposes, taking into account the dilutive effect:

Pro forma number of shares, diluted	For the financial year ended 31 December 2023, Pro forma
Pro forma weighted average number of shares outstanding basic[1]	34,291,821
Dilutive effect	
Sponsor Warrants - historical, number of shares	2,337,500
Founder Warrants - historical, number of shares	495,833
Investor Warrants issued if the EGM approves the Transaction[2]	3,364,998
Maximum number of shares subscribed for with the Consideration Options to be issued in connection with the Transaction	1,676,752
Maximum number of additional purchase price shares to be potentially issued	6,499,831
Maximum number of shares subscribed for with option rights in the Option Plan 2024-II	500,074
Pro forma weighted average number of shares outstanding, diluted[1]	49,166,809

1) Not including the directed share issue of 94,995 series A shares to Lifeline SPAC I's Sponsors announced on 5 July 2024.

2) Including the technical change of conditions and maximum number of Investor Warrants to be issued announced on 5 July 2024.

MARKET AND INDUSTRY REVIEW

*The following description contains market and industry information derived from third-party sources and the estimates of Lifeline SPAC I's Management Team and Canatu's management team. Where such information has been derived from third-party sources, the name of the source is given herein. The following discussion also contains estimates regarding the market position of the Combined Company that cannot be gathered from publicly available sources. These estimates are based on information available to Lifeline SPAC I and Canatu from non-public sources and the knowledge of Lifeline SPAC I's Management Team and Canatu's management team of the industries and markets involved, including Canatu's management's view based on a market study conducted during the spring and early summer of 2024 by a third-party international management consulting firm commissioned by Lifeline SPAC I (the "**Market Study**"). For further information on the sources for the market and industry information, see section "Certain Matters – Information from Third-Party Sources". The investors are also advised take into account that the estimated development of the markets and the industries of the Combined Company is subject to several risks that may be significant. For example, the industries where the Combined Company operates may not widely adopt the Combined Company's CNT products, and the Combined Company may fail to keep pace with changing technologies or be unable to anticipate or meet customer preferences. Therefore, the estimates on the growth, development or size of the Combined Company's addressable markets and industries given below may turn out to be erroneous. The investors are also advised to carefully read the section "Risk Factors" of this Company Description, in particular.*

Introduction to Canatu's Markets

Canatu is a deep technology company[7] developing advanced carbon nanotubes ("**CNTs**") and related products and manufacturing equipment for the semiconductor, automotive and medical diagnostics industries.

For the semiconductor industry, Canatu mass manufactures CNT solutions that are targeted at EUV lithography-based manufacturing processes, which are used to produce advanced microchips. Canatu currently offers customers (i) CNT-based EUV photomask inspection consumables, i.e. predominantly nanoparticle filters ("**inspection consumables**"), (ii) CNT reactors and related non-discretionary (required in sales agreements) consumables for CNT membrane manufacturing for EUV pellicles ("**CNT reactors**"), and (iii) CNT membranes/technology, which are a key part of CNT-based EUV pellicles ("**CNT-based pellicles**").

For the automotive industry, Canatu currently focuses on offering CNT-based film heaters for LiDARs ("**LiDAR heaters**") and cameras ("**camera heaters**"), with CNT-based film heaters for full windshields ("**windshield heaters**") and headlights as well as solar cells being potential future extension areas, according to Canatu's view.

For medical diagnostics, Canatu currently develops CNT-based biosensors (the "**CNT-based biosensors**") for electrochemical biosensor solutions, aimed at enabling a quick and potentially inexpensive alternative compared to current methods for medical diagnostics (e.g. laboratory tests). CNT-based biosensors can be utilised to detect a variety of analytes that leave biomarkers (e.g. DNA mutations, pathogens, hormones and drug molecules) and test multiple biomarkers from a single sample simultaneously. Canatu's current focus is on the development of testing solutions for detecting paracetamol overdose and lung and breast cancers. However, Canatu has identified dozens of other potentially applicable use areas for test solutions.

As mass manufacturing, Canatu defines the production of CNT-based pellicles, inspection consumables, LiDAR heaters and camera heaters, and the manufacturing and sale of CNT reactors to customers who use the reactors in their own mass production lines. According to Canatu's management, other potential future applications for CNT may include consumer electronics, food industry, future transistors, X-ray photography and future safety and defence applications. Canatu already supplies a limited number of products for some of the aforementioned applications, but for now they do not generate material business. The Combined Company intends to follow the development of these markets and potentially serve them selectively. The Combined Company's possible success in these future applications depends to a significant extent on how widely CNT products will be adopted. For further information, see section "*Risk Factors – The semiconductor and automotive industries may not widely adopt the Combined Company's CNT products, which would result in the Combined Company generating less revenue than expected*".

[7] While "deep technology company" is not an established term, in this Company Description it refers to companies that have developed technologies often based on long-term scientific research or development work.

Semiconductor Industry

In the semiconductor industry, which is a heavily concentrated industry and relies on certain countries, such as Taiwan, Canatu's CNT solutions are targeted at EUV lithography-based manufacturing processes, which are used to produce advanced microchips. Sub-7 nanometre EUV chips are the fastest growing segment in semiconductor.[8] Semiconductor market size of selected industries (smartphone, personal computing, servers, data centres and storage, industrial electronics, automotive, consumer electronics, and wired & wireless infrastructure) amounted to approximately USD 595 billion in 2023. Canatu's management estimates that the semiconductor market size grows to USD 1,098 billion in 2030, implying a 9 per cent average annual growth from 2023 to 2030, while within the same time period the share of the EUV semiconductor market within the entire semiconductor market is continuously increasing.[9] The top-three microchip manufacturers, Intel Corporation, Samsung Electronics Co., Ltd. and Taiwan Semiconductor Manufacturing Company, Limited (TSMC), have publicly announced planned investments of over USD 300 billion in new production capacity. Canatu's management estimates that approximately 70–80 per cent of the announced investments will be allocated to semiconductor manufacturing equipment, driving significant business opportunities for the Combined Company. In Canatu's view, its CNT solutions help microchip manufacturers and other semiconductor industry customers enhance the efficiency of their production and quality control processes.

Inspection consumables are used in multiple quality control phases along the EUV lithography process. Inspection consumables prevent particles from contaminating the photomask in the inspection phase and filter out unwanted wavelengths of light. In patterned mask inspection, currently the primary application area of Canatu's inspection consumables, the market for the inspection consumables is estimated to grow from approximately EUR 10 million in 2024 to approximately EUR 40 million in 2027 and further to approximately EUR 60 million in 2030, implying a 33 per cent average annual growth from 2024 to 2030. Beyond patterned mask inspection, the other quality control phases are estimated to potentially expand the addressable market for the Combined Company's inspection consumables by approximately 2–5 times, resulting in a total market potential of approximately EUR 120–300 million in 2030. The estimated inspection consumables market growth is driven by the strong expected growth of semiconductor end-product markets (e.g. AI-enabling hardware, data centres and consumer electronics).[10]

The market for CNT-based pellicles is currently only emerging. For example, the Combined Company is scheduled to deliver the first two CNT reactors to its customers in 2024, and the market growth is expected to be dependent on the adoption curve of advanced pellicles. Figure 4 illustrates the annual addressable CNT-based pellicle market size and growth in three scenarios for the years 2027E and 2030E. The addressable market for CNT-based pellicles is estimated to amount to approximately EUR 260–1,050 million in 2027 and grow to approximately EUR 950–2,010 million in 2030. If the demand for CNT-based pellicles were satisfied with the Combined Company's CNT reactor sales only, the market size would be materially smaller, approximately hundreds of millions of euros in 2030, due to the high efficiency of the Combined Company's reactors. In such a scenario, recurring revenue elements such as the sale of non-discretionary (required in sales agreements) consumables and royalties would potentially comprise a very large part of the market. The estimated CNT-based pellicles market growth is also driven by the strong expected growth of the semiconductor end-product markets (e.g. AI-enabling hardware, data centres and consumer electronics). Additionally, however, the demand for CNT-based pellicles is expected to grow due to their technical capabilities and applicability across different EUV lithography machine generations.[11]

Market Trends Driving Growth in the Semiconductor Market

Canatu generates a significant part of its revenue from the semiconductor industry. The semiconductor industry has historically been cyclical, and the level of capital expenditures by semiconductor and chip manufacturers has a significant impact on the demand of the Combined Company's CNT reactors and CNT membranes. In addition, the take-up of artificial intelligence, in particular, drives the current demand for chips made with EUV lithography technology. For further information, see section "*Risk Factors – The semiconductor industry is cyclical, and the Combined Company may be adversely affected by any downturn within this industry*".

[8] Canatu's management's view based on the Market Study.

[9] Canatu's management's view based on the Market Study.

[10] Canatu's management's view based on the Market Study.

[11] Canatu's management's view based on the Market Study.

As Canatu's offering in the semiconductor market consists mainly of consumable materials and equipment used in the EUV lithography process, the main drivers for the Combined Company's growth are the growth of semiconductor end-product markets and the expected development of EUV lithography capacity. CNT-based materials have the potential to achieve wide-scale adoption as the future CNT-based pellicle technology in new advanced EUV lithography machines and CNT-based EUV photomask inspection consumables.[12]

Strong growth of semiconductor end-product markets

Semiconductor end-product markets are estimated to grow strongly and surpass 1 trillion USD in 2030. Artificial intelligence (AI), consumer electronics and computing are seen as the main drivers, leading to increased need for more computing power and advanced semiconductors. Figure 1 illustrates the expected development of the semiconductor end-product market size. The semiconductor market is expected to grow 9 per cent annually from 2023 to 2030 with the highest growing sub-industries being Servers, Datacenters & Storage, Industrial Electronics and Automotive each estimated to grow at 15 per cent, 11 per cent and 11 per cent respectively. The sub-industries with the highest estimated growth are also driving the demand for advanced semiconductors with smaller nodes and increased processing capacity. [13]

Figure 1: Estimated semiconductor market size of selected industries (USDbn, 2023–2030E)

	2023	**2024E**	**2025E**	**2030E**	**2023-2030E CAGR-%**
Total semiconductor market size development (+9%)	595	662	737	1,098	***9%***
Servers, Datacenters & Storage	91	111	136	249	*15%*
Smartphone	129	138	150	213	*7%*
Industrial Electronics	76	85	93	160	*11%*
Automotive	71	82	93	149	*11%*
Personal Computing	106	116	124	131	*3%*
Consumer Electronics	68	73	79	114	*8%*
Wired & Wireless Infrastructure	54	57	62	82	*6%*

Source: Data as per ASML Investor Day 2022, presented information available at https://www.asml.com/en/investors/investor-days/2022.

[12] Canatu's management's view based on the Market Study.

[13] Canatu's management's view based on the Market Study.

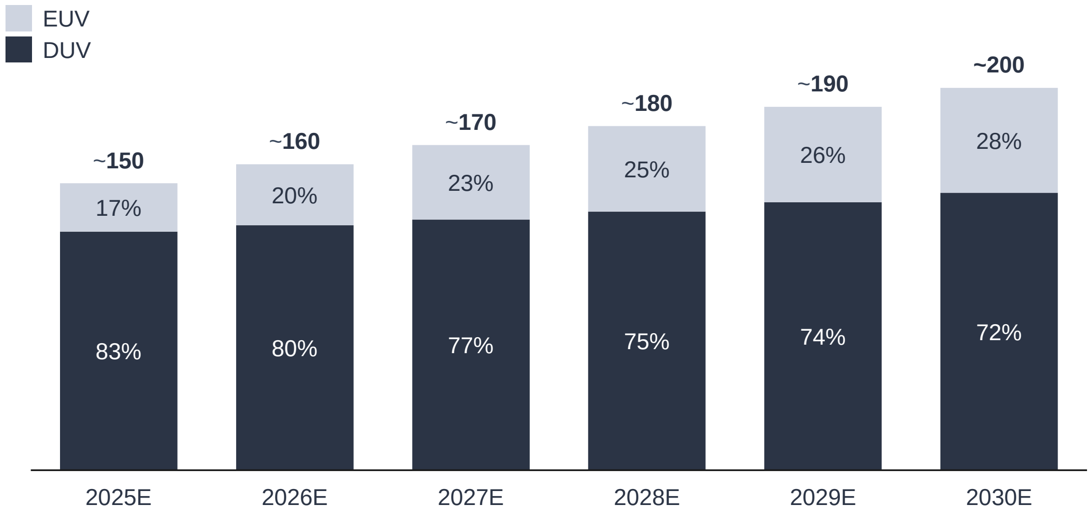
End-product volume growth and technological development towards smaller nodes driving the need for advanced EUV lithography production capacity

In addition to the underlying estimated semiconductor end-product market growth, the adoption of EUV lithography and investments in EUV lithography production capacity are also accelerated by technological development and evolution towards smaller nodes.

EUV lithography allows for more precise patterning as compared to alternative lithography solutions such as DUV. This means that EUV is the only way to manufacture chips with small-enough node sizes fitting more transistors, and the chip thus better fulfils advanced computing requirements. According to Canatu's management, a process utilising EUV lithography is more cost effective than DUV lithography, since with DUV lithography, the pattern has to be drawn multiple times.[14]

Artificial intelligence, consumer electronics and computing are seen as the main drivers, leading to increased need for more computing power and advanced semiconductors. Other key drivers for advanced semiconductors are the automotive market evolution to Advanced Driving Assistance Systems (ADAS) and memory production. For example advanced logic chips always use EUV lithography, and their production capacity is expected to increase by 12 per cent annually from 2020 to 2030[15], which is the most relevant chip type for the Combined Company. Figure 2 illustrates the expected development and share of EUV lithography manufacturing volumes from 2025 to 2030. The share of EUV-based production is expected to almost double from 17 per cent in 2025 to 28 per cent in 2030.

Figure 2: Expected annual development of EUV lithography manufacturing volume (Share of wafer starts per year per lithography type, million wafers, 2025E–2030E)



Sources: ASML 2023 annual report, available at: https://www.asml.com/en/investors/annual-report/2023#2023-annual-report; information presented at the ASML 2022 Investor Day, available at: https://www.asml.com/en/investors/investor-days/2022; Canatu's management's view based on the Market Study.

As products require more advanced chips and node sizes decrease to enable this, EUV lithography capacity is expected to be needed to increase. For example, the top-three microchip manufacturers Intel Corporation, Samsung Electronics Co., Ltd. and Taiwan Semiconductor Manufacturing Company, Limited (TSMC) have publicly announced planned investments of over USD 300 billion in new production capacity, indicating strong demand in the underlying market.[16] Canatu's management estimates that approximately 70–80 per cent of the announced investments will be allocated to the semiconductor manufacturing equipment.

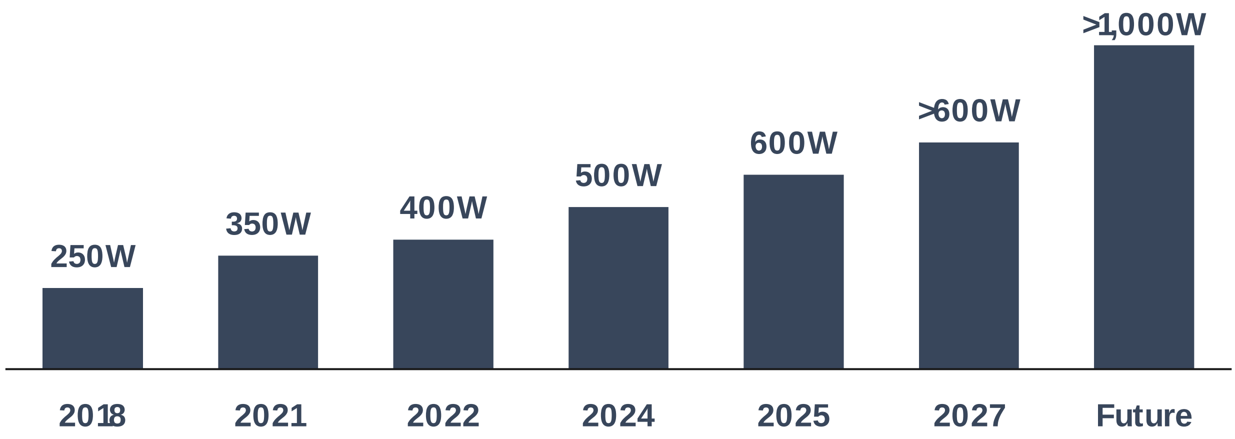
[14] Canatu's management's view based on the Market Study.

[15] Sources: Information presented at the ASML Investor Day 2022, available at: https://www.asml.com/en/investors/investor-days/2022; Canatu's management's view based on the Market Study.

[16] Canatu's management's view based on the Market Study.

More potential is seen in the Combined Company's EUV pellicles with respect to newer, more advanced EUV lithography machines, which for example ASML plans to increasingly introduce to the markets as of 2025 to satisfy the expected increase in the demand for advanced semiconductors. More advanced machines have more power (measured by watts), which requires pellicles to, for example, have higher heat resistance. EUV pellicles made of more advanced materials, such as carbon nanotubes or graphene, are expected to achieve leading position in advanced EUV lithography machines by 2027.[17] Figure 3 illustrates the expected power level development of EUV lithography machines during the years 2018–2027 as well as in the future after 2027. As per current understanding, currently used composite pellicles cannot be used in lithography machines of more than 600 watts, while CNT and graphene pellicles can be used in up to 1,000-watt lithography machines and, as the technology develops, they may also have potential to be used in >1,000-watt lithography machines. Pellicles made of more advanced materials can also be used at lower power levels, which is estimated to create significant market potential if they are also used to replace composite pellicles in older machines. The installed base of ASML's EUV lithography machines of less than 600 watts is estimated to be around 200 machines. The potential increases in productivity from CNT pellicles as such also apply at lower power levels.[18]

Figure 3: Expected power level development of EUV lithography machines (watts, years 2018–2027 and future after 2027)



Canatu's management's view based on the Market Study.

Market Size and Growth

CNT-based pellicles

The markets for advanced pellicles, to which CNT-based pellicles belong, are still in development stage (*i.e.* Canatu's first reactor deliveries will only take place during 2024), and, according to Canatu's management's estimate, the size of the markets will be some tens of millions of euros in 2024. The addressable market for the Combined Company's CNT-based pellicles is estimated to reach approximately EUR 1–2 billion by 2030 depending on the extent to which advanced CNT-based pellicles will be adopted. Advanced pellicles made from other materials, such as graphene, also compete for the same addressable market. Figure 4 illustrates the annual addressable CNT-based pellicle market size and growth in three scenarios for the years 2027E and 2030E. In Scenario 1, CNT-based pellicles are adopted in logic chip production (mostly high-wattage machines) towards the end of the decade, but are not commonly used for memory chips (CNT-based pellicle technology does not achieve the required financial feasibility levels). EUV lithography is always used in the manufacturing of advanced logic chips, while advanced memory chips can also be manufactured using alternative technologies.[19] This translates to estimated market sizes of EUR 257 and 948 million in 2027E and 2030E respectively, implying a compound annual growth rate ("**CAGR**") of 54 per cent from 2027E to 2030E.

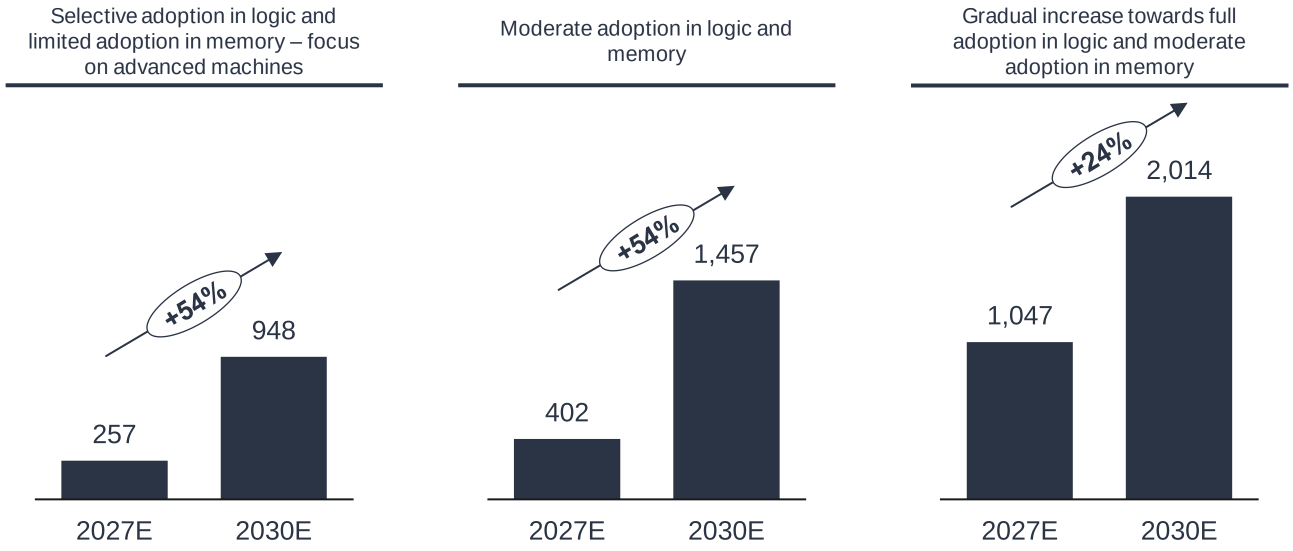
[17] Canatu's management's view based on the Market Study.

[18] Canatu's management's view based on the Market Study.

[19] Canatu's management's view based on the Market Study.

In Scenario 2, CNT-based pellicles are moderately adopted in logic and memory chip production – they are also used in older machines (not just in newer, higher wattage machines) due to their expected production efficiency improvement. This would translate to estimated market sizes of EUR 402 and 1,457 million in 2027E and 2030E respectively, implying a CAGR of 54 per cent from 2027E to 2030E. In Scenario 3, CNT-based pellicles demonstrate their efficiency improvement potential and are fully adopted across EUV lithography in logic production and moderately for memory – they prove to be a strong alternative to composite pellicles and increase overall pellicle use adoption among chip manufacturers. This translates to estimated market sizes of EUR 1,047 and 2,014 million in 2027E and 2030E respectively, implying a CAGR of 24 per cent from 2027E to 2030E. The expected demand for advanced pellicles may be met either by fully CNT-based pellicles or other possible pellicles consisting of competing materials.[20]

Figure 4: Expected annual development of addressable CNT-based pellicle market (EURm, 2027E-2030E)



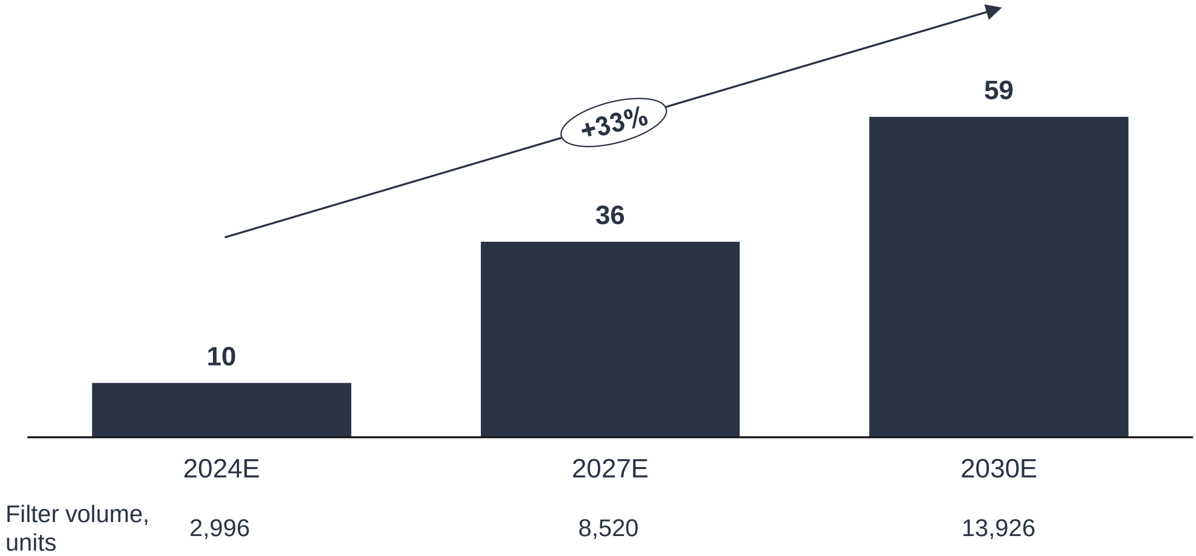
Canatu's management's view based on the Market Study. If the demand for CNT-based pellicles were satisfied with the Combined Company's CNT reactor sales only, the market size would be materially smaller in 2030, some hundreds of millions of euros, due to the high efficiency of the Combined Company's reactors. In such a scenario, the addressable market would depend on the pricing of the reactors, the associated royalty payments and the sale of consumables.

CNT-based EUV mask inspection consumables

The addressable market for CNT-based mask inspection consumables is estimated to reach EUR 59 million by 2030. The inspection consumables market is estimated to have no differences between the CNT-based pellicle scenarios. Figure 5 illustrates the annual addressable CNT-based EUV mask inspection consumables market size and growth for the years 2024E–2030E. The total market is expected to grow at 33 per cent per annum from 2024E to 2030E and reach EUR 59 million in 2030E. Estimated market value covers patterned mask inspection machines only as Canatu's current mask inspection consumables offering is only applicable for patterned mask inspection machines. However, there is also estimated potential with blank mask inspection machines, which would increase the current market estimation up to five times.

[20] Canatu's management's view based on the Market Study.

Figure 5: Expected annual development of addressable inspection consumables market (EURm, 2024E–2030E)



Canatu's management's view based on the Market Study. Estimated market value covers patterned mask inspection machines only as Canatu's current mask inspection consumables offering is only applicable for patterned mask inspection machines. However, there is also estimated potential with blank mask inspection machines, which would increase the current market estimation up to five times.

Automotive Market

As to the automotive market, Canatu currently focuses on offering CNT-based film heaters for LiDARs and cameras, with CNT-based film heaters for full windshields and headlights as well as solar cells being a potential future extension area for the Combined Company, according to Canatu's view. LiDAR heaters and camera heaters are used for advanced driver assistance systems (ADAS) to keep vehicles' critical sensors clear of moisture condensation (fog), snow and ice.

Canatu's applications relating to windshield heaters, currently in pre-development phase, are designed to enhance vehicles' thermal energy efficiency while providing high optical performance for windshield ADAS sensors. Canatu expects that the energy efficiency and the high optical performance of its possible future windshield heater film solution potentially become increasingly important when vehicle manufacturers pursue growing their production of electric vehicles.

The automotive market reflects Canatu's current view according to which Canatu would develop and manufacture by itself CNT-based products to be used in the automotive industry. If the Combined Company were to decide to approach the automotive market primarily through reactor sales, the market size would be materially smaller due to the high efficiency of the Combined Company's reactors. In such a scenario, the size of the addressable market would depend on the pricing of the reactors, the associated royalty payments and the sale of consumables.

Market Trends in the Automotive Market

In the automotive industry, semiconductors are used especially in autonomous vehicles, the demand for which is central to the Combined Company's strategy. Therefore, the prospects of the Combined Company's products in the automotive industry and its growth in the automotive industry also rely to an extent on the large-scale adoption and breakthrough of smart vehicles and autonomous driving and on the shift towards electric vehicles, advanced driver-assistance systems (ADAS) applications and the ability of vehicles to communicate with each other and with external systems. For further information, see section "*Risk Factors – The Combined Company's sales in the semiconductor and automotive industries are partly dependent on the demand for consumer electronic products and automobiles, which can experience significant volatility*".

Autonomous driving

Autonomous driving levels described by the Society of Automotive Engineers (“**SAE**”) refer to the development phases of autonomous driving. Each SAE level requires more ADAS and LiDARs, driving the demand for film heaters for the optically critical surfaces of ADAS systems. The added value of CNT-based film heaters or similar advanced materials is emphasised on levels 3 to 5, because optical requirements for ADAS and LiDARs are higher.[21] Figure 6 illustrates the autonomous driving levels, describes the different features, and shows which levels are addressable for the Combined Company. The number of addressable ADAS sensors needed for each SAE autonomy level increases considerably depending on how autonomous the driving experience is. For levels 4 and 5, six addressable LiDARs are required, whereas level 2 autonomy does not require any LiDARs.[22]

Figure 6: Autonomous driving level – addressable levels for the Combined Company

SAE levels of automation	Description	Example features	Driver responsible[2]	Addressability for Canatu	
Level 0: No driving assistance	Assistance in steering or acceleration/deceleration, driver must remain fully engaged	Automatic emergency braking, blind spot warning, lane departure warning	✓	✗	Advanced front-facing cameras and LiDARs are not needed, no market for advanced CNT heaters
Level 1: Driver assistance	Assistance in steering or acceleration/deceleration, driver must remain fully engaged	Lane centering OR Adaptive cruise control	✓	✗	Advanced front-facing cameras and LiDARs are not needed, no market for advanced CNT heaters
Level 2: Partial automation	The vehicle can control both steering and speed, driver must remain engaged	Lane centering AND Adaptive cruise control	✓	(✓)	Advanced front-facing cameras needed, but advanced heaters are optional.[3] LiDARs used extremely rarely[4]
Level 3: Conditional automation	FSD[1] under certain conditions, driver needs to intervene when needed	The car can drive for instance in traffic jams	✗	✓	Advanced front-facing cameras and LiDARs needed, relevant market for CNT heaters
Level 4: High automation	FSD[1] under specific condition, but the driver has the option to take control	Local driverless taxi, pedals/steering wheel can be removed	✗	✓	Advanced cameras and LiDARs needed, relevant market for CNT heaters
Level 5: Full automation	FSD[1] under all conditions without any human intervention, presence of a driver optional	Same as level 4, but feature can drive anywhere in all conditions	✗	✓	Advanced cameras and LiDARs needed, relevant market for CNT heaters

Canatu’s management’s view based on the Market Study. 1) Full self-driving. 2) Legal liability for controlling the vehicle. 3) All level 2 vehicles include advanced front-facing cameras, but advanced heaters are not requisite as the required optical performance is not as high as for levels 3–5. 4) Level 2 vehicles do not require LiDAR sensors, but certain OEMs have elected to use LiDAR sensors in their flagship vehicles.

Figure 7 illustrates the number of manufactured cars per SAE level. The share of level 2 to level 5 cars is expected to grow from 31 per cent to 55 per cent between 2024E and 2030E, analogous to an addressable market size of 29 million units in 2024 to 56 million units in 2030.[23] For level 2 autonomy, LiDARs are not needed and front-facing cameras do not require advanced heater films. However, some OEMs have adopted LiDARs for level 2 cars.[24] Canatu’s management sees potential in that level 2 front-facing cameras could be

[21] Canatu’s management’s view based on the Market Study.

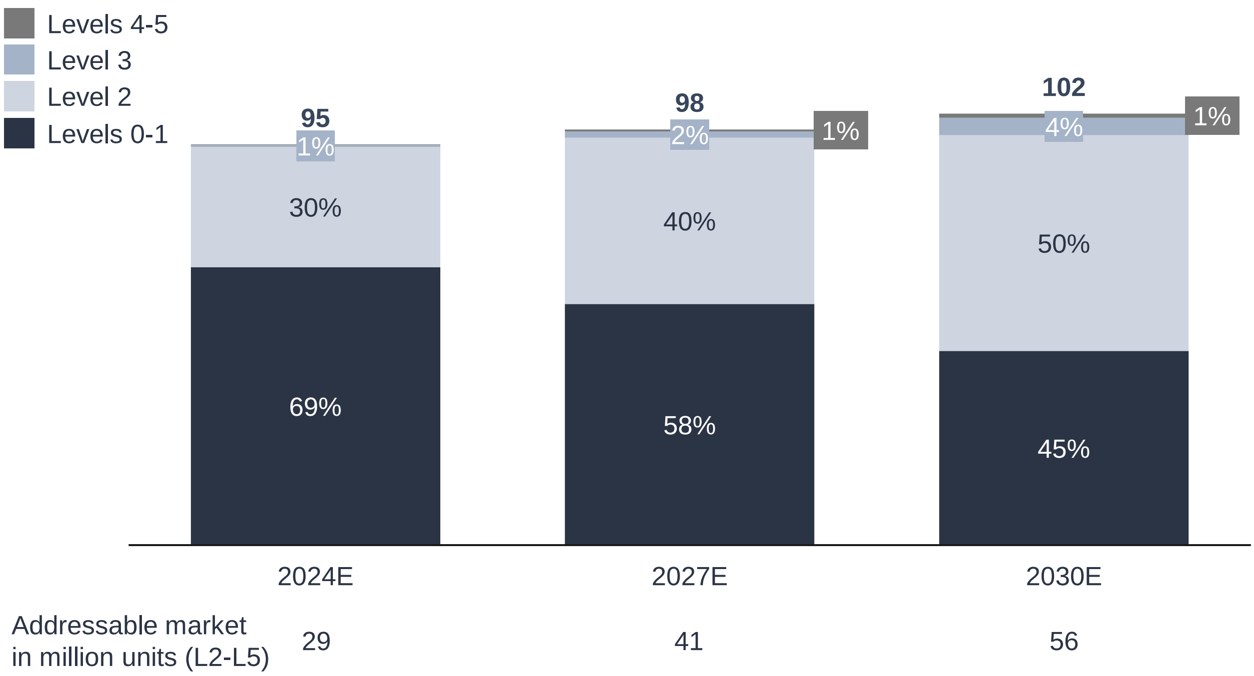
[22] Canatu’s management’s view based on the Market Study.

[23] Canatu’s management’s view based on the Market Study.

[24] Canatu’s management’s view based on the Market Study.

equipped with advanced heater films once the unit cost is at a sufficient level. Figure 8 illustrates the development of camera and LiDAR and front-facing camera adoption rates for SAE level 2–5 cars between 2024E and 2030E. Level 2 adoption rate for front-facing cameras is expected to grow from 1 per cent in 2024E to 20 per cent in 2030E.

Figure 7: Expected development of number of manufactured cars per SAE level (% of all vehicles) (millions, 2024E-2030E)



Canatu's management's view based on the Market Study. All vehicles include cars, light commercial vehicles, and heavy commercial vehicles.

Figure 8: Expected development of addressable camera and LiDAR adoption rates for SAE level 2-5 cars (2024E-2030E)

		2024E	2027E	2030E
Addressable LiDARs' adoption rates for SAE levels 2-5	Level 4-5	100%	100%	100%
	Level 3	100%	100%	100%
	Level 2	0.1%	0.4%	2.0%
Addressable front-facing cameras' adoption rates for SAE levels 2-5	Level 4-5	100%	100%	100%
	Level 3	100%	100%	100%
	Level 2	**1%**	**8%**	**20%**

Canatu's management's view based on the Market Study.

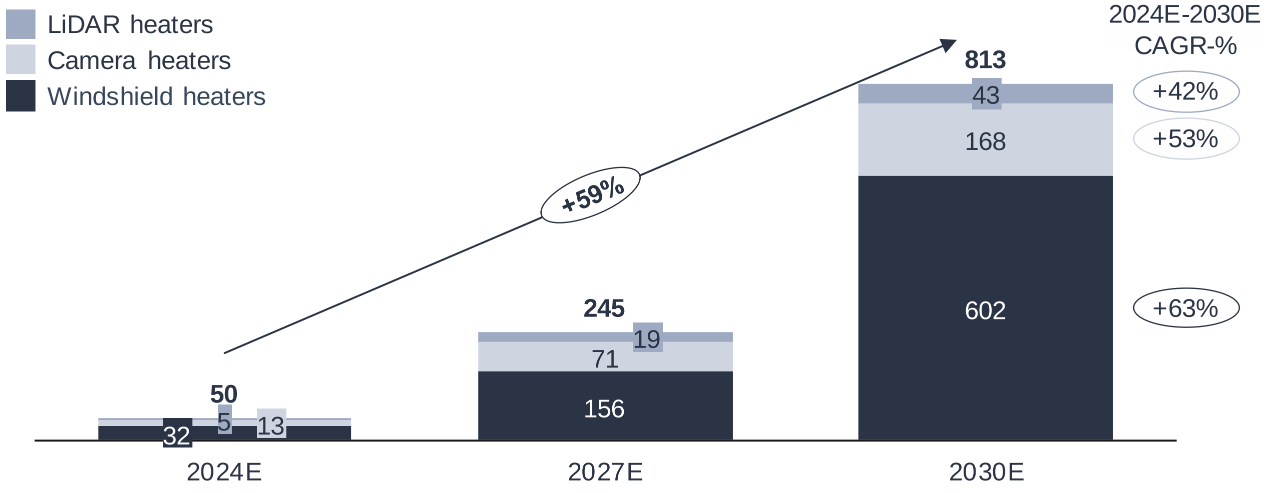
Electric vehicles

CNT-based windshield heaters offer thermal energy and electricity consumption savings in electric vehicles, while simultaneously offering sufficient optical accuracy for the requirements of front-facing cameras and LiDAR systems on SAE levels 2–5. The number of manufactured electric vehicles is expected to increase to 40 million units in 2030E compared to 12 million units in 2024E, implying an annual growth rate of 22 per cent. In Europe, approximately 10 per cent of 2024E EVs are estimated to be equipped with a windshield heater, while the adoption rate depends largely on the climate of the region. However, windshield heaters' global market penetration is expected to increase as EV OEMs aim for 50 per cent to 90 per cent thermal energy savings by introducing new heating, ventilation and air conditioning (HVAC) solutions, which require advanced heater technology. Hence, the global share of EVs with heated windshield is expected to increase to approximately 13 per cent in 2030E compared to approximately 3 per cent in 2024E.[25]

Market Size and Growth

Figure 9 illustrates the Combined Company's total addressable film heater market size between 2024E and 2030E. The advanced heater markets are currently still in development stage. The Combined Company's total addressable heater market size is expected to increase from EUR 50 million in 2024E to EUR 813 million in 2030E, equivalent to an annual growth rate of 59 per cent. The addressable market size for LiDAR heaters is expected to grow from EUR 5 million in 2024E to EUR 43 million in 2030E, growing at an annual rate of 42 per cent. For camera heaters, the addressable market size is expected to grow to EUR 168 million in 2030E, compared to a market size of EUR 13 million in 2024E, representing an annual growth rate of 53 per cent. The market for windshield heaters is expected to grow from EUR 32 million in 2024E to EUR 602 million in 2030E, growing at an annual rate of 63 per cent.[26]

Figure 9: Expected development of the Combined Company's total addressable film heater market (EURm, 2024E-2030E)



Canatu's management's view based on the Market Study. If the demand for film heaters were satisfied with the Combined Company's CNT reactor sales only, the market size would be materially smaller in 2030, some hundreds of millions of euros, due to the high efficiency of the Combined Company's reactors. In such a scenario, the addressable market would depend on the pricing of the reactors, the associated royalty payments and the sale of consumables.

Medical Diagnostics

For the medical diagnostics, Canatu currently develops CNT-based biosensors for electrochemical biosensor solutions, aimed at enabling a quick and potentially inexpensive alternative compared to current methods for medical diagnostics (e.g. laboratory tests). Canatu's operations in medical diagnostics are still being developed and, for example, Canatu has not been granted any regulatory approvals for its products in the field of medical diagnostics. CNT-based biosensors can be utilised to detect a variety of analytes that leave biomarkers (e.g. DNA mutations, pathogens, hormones and drug molecules) and test multiple biomarkers from a single sample simultaneously. Canatu's current focus is on the development of testing solutions for detecting paracetamol overdose and lung and breast cancers. However, Canatu has identified dozens of other potentially applicable use areas for test solutions. Based on Canatu's analysis, the physical characteristics of the Combined Company's CNTs might enable point-of-care tests that are potentially considerably more sensitive and accurate, with over 10 times higher signal-to-noise ratio than the tests based on traditional materials currently used for biosensors (e.g. gold and carbon paste). According to non peer-reviewed E. coli bacterial tests conducted by Canatu, the Combined Company's CNTs have the potential to get results from 86 E. coli bacterial

[25] Canatu's management's view based on the Market Study.

[26] Canatu's management's view based on the Market Study.

cells per millilitre, while the industry standard (California Mastitis Test) is 300,000 E. coli bacterial cells per millilitre. As Canatu's production line is already established, at scale, the Combined Company has mass production capacity for tens of millions of CNT-based biosensors annually.

Market Trends in the Medical Diagnostics Market

Highly sensitive point-of-care (POC) testing is not yet established, and there are currently no verifiable relevant markets for highly sensitive POC testing. The point-of-care testing industry is supported by a strong trend of point-of-care electrochemical biosensor solutions that would possibly enable rapid on-site detection of various biomarkers. However, the adoption of point-of-care testing over traditional laboratory methods is not guaranteed or even probable. For further information, see section "*Risk Factors – Highly sensitive point-of-care testing is not yet established and it may never emerge as a business, which could have a material adverse effect on the Combined Company's growth strategy*".

Shift from centralised to point-of-care testing

The Combined Company aims to bring application areas traditionally available in a laboratory environment to the point-of-care (POC). Compared to traditional diagnostic solutions, such as blood tests requiring laboratory analysis, which can often be used for a selection of diagnostic application areas, the Combined Company's CNT-based electrochemical biosensor solutions used in POC testing can be utilised for a variety of diagnostic applications. Hence, POC testing is deemed to have significant potential in replacing/optimising current healthcare offering.[27]

Increased need for higher sensitivity

With POC testing, results are available within 15–20 minutes[28] compared to traditional laboratory tests that often require 2–3 days[29]. Based on tests conducted by Canatu itself, CNT offers significant benefits compared to alternative materials in POC testing: it enables high sensitivity at ultra-low concentrations. According to non peer-reviewed E. coli bacterial tests conducted by Canatu, the Combined Company's CNTs have the potential to get results from 86 E. coli bacterial cells per millilitre, while the industry standard (California Mastitis Test) is 300,000 E. coli bacterial cells per millilitre. In addition, based on tests conducted by Canatu itself, Canatu's CNT has more than 10 times higher signal-to-noise ratio (SNR) compared to the alternatives Canatu knows to be suitable for mass manufacturing (e.g. carbon paste, graphene foam and commercial gold). Based on tests conducted by Canatu itself, its proprietary click-chemistry enables sensing several analytes (DNA mutations, pathogens, hormones and drug molecules) and CNT enables simultaneous testing of multiple biomarkers from a single sample. Based on tests conducted by Canatu itself, sensitivity and cost-efficiency may enable replacing or supplementing current testing cycles with more frequent CNT-based screening because, for example, breast cancer can potentially be detected at an earlier stage and more cost-effectively. However, Canatu's operations in this field are at an early stage, POC tests have not been peer-reviewed, and growing the operations requires a partnership with one or several leading operators in the field, which have not yet been established. For further information, see section "*Risk Factors – Highly sensitive point-of-care testing is not yet established and it may never emerge as a business, which could have a material adverse effect on the Combined Company's growth strategy*".

Market Size and Growth

Figure 10 illustrates the total addressable market size in two scenarios for 2030E including only the sales of CNT-based test strips but not the sale of POC testing equipment. In Scenario 1, the Combined Company's CNT-based solution replaces current testing cycles in tests for breast cancer, lung cancer, and paracetamol overdose. This scenario translates to an estimated market size of EUR 441 million in 2030E. In Scenario 2, the Combined Company's CNT-based solution replaces current testing cycles as indicated previously, but in addition, it is used by a larger group of people screened and used more frequently in treatment monitoring with

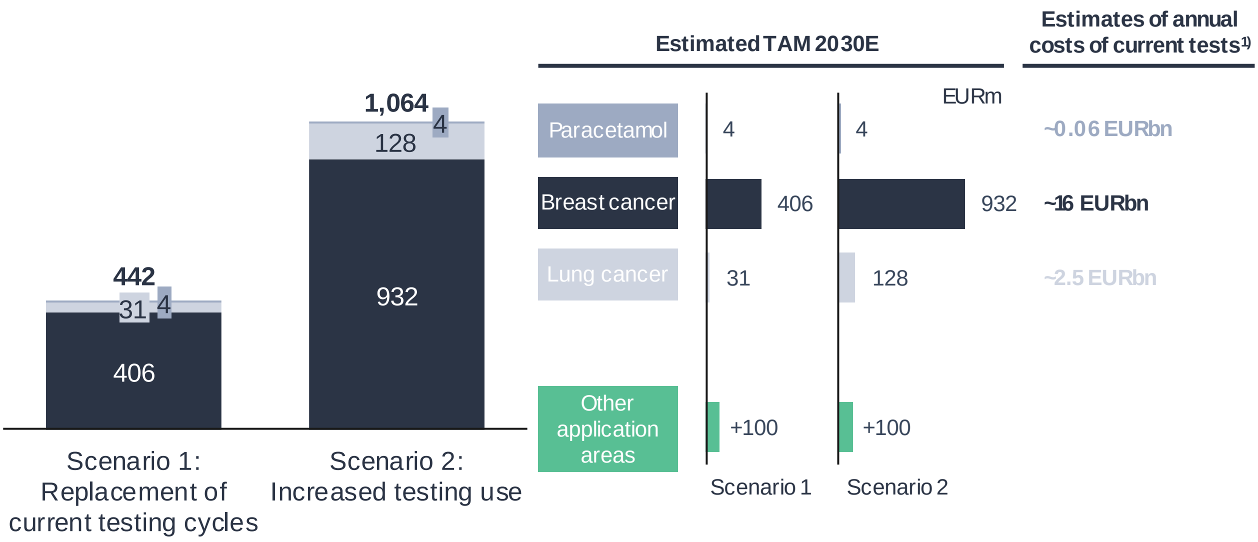
[27] Canatu's management's view based on the Market Study.

[28] Source: Kujala et al. "Introduction of an electrochemical point-of-care assay for quantitative determination of paracetamol in finger-prick capillary whole blood samples", 2023, available at: https://acris.aalto.fi/ws/portalfiles/portal/119687465/CHEM_Kujala_et_al_Introduction_of_an_electrochemical_2023_Br_J_Clin_Pharmacol.%20pdf, p. 2935–2937.

[29] Source: Kanta, "Laboratoriotulokset löytyvät kätevästi OmaKannasta", 2021, available at: https://www.kanta.fi/artikkeli/-/asset_publisher/1QjC602jKPR6/content/laboratoriotulokset-l%C3%B6ytyv%C3%A4t-k%C3%A4tev%C3%A4sti-omakannasta. The estimate is based on MyKanta's website and the view of Canatu's management.

both breast cancer and lung cancer. Furthermore, for lung cancer patients, the participation rate is expected to be higher. This translates to a total market size of EUR 1,064 million in 2030E. In addition to the quantified applications, other potential applications have been identified (e.g. testosterone and immunosuppressants), which are estimated to contribute an additional potential of over EUR 100 million to the market size (not including all potentially applicable use areas for test solutions, of which Canatu has identified dozens).[30]

Figure 10: Expected development of the Combined Company's total addressable market (EURm, 2030E)



Canatu's management's view based on the Market Study. Encompasses USA, Canada, and Europe. 1) Estimated current costs per one test are EUR 200 for mammography, EUR 400 for a lung cancer CT scan (low-dose CT scan), and EUR 20 for a paracetamol overdose test. Estimates are based on the pricing of private health care service providers.

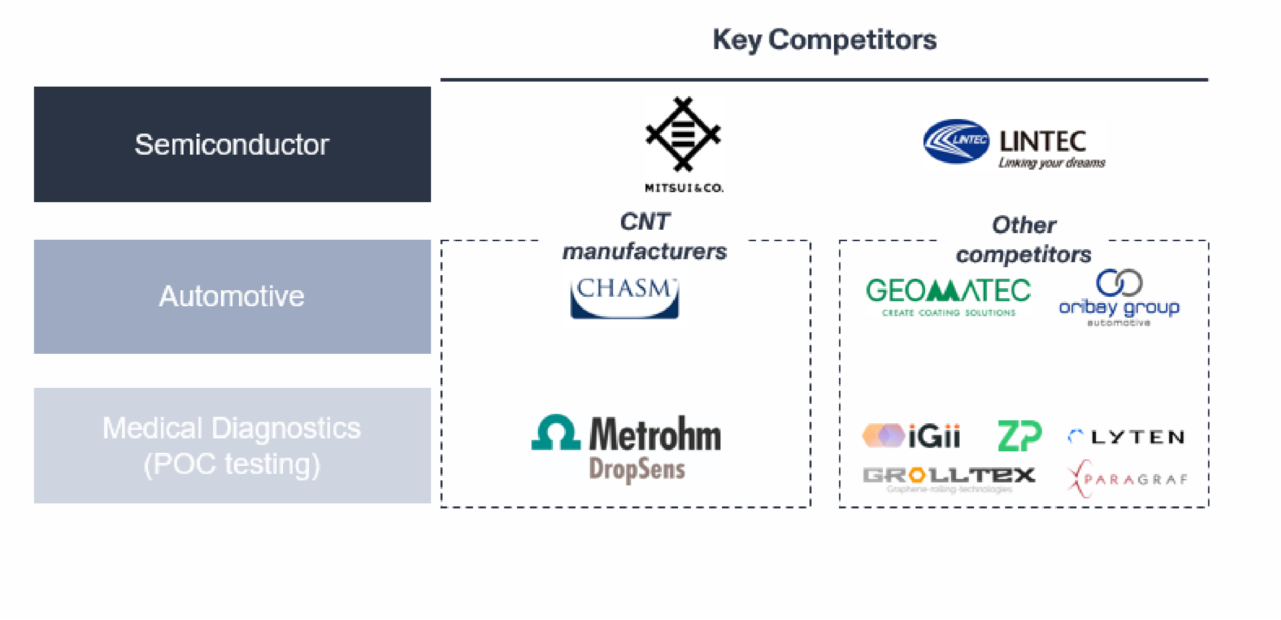
Competitive Situation

Canatu operates as a product and reactor supplier for the semiconductor industry and as product supplier for the automotive industry. Both industries are highly competitive. Although many companies produce CNTs (such as OcSiAl S.A., LG Chem Ltd, Nano-C, Inc., Arkema SA, Nanocyl SA, ZEON Corporation, NanoIntegris Technologies, Inc., Korbon Co Ltd, Jiangsu Cnano Technology Limited and Toray Industries, Inc.), Canatu does not currently see them as its competitors in advanced applications in industries currently selected by Canatu. In the semiconductor industry, Canatu has recognised certain key competitors in the market for CNT-based pellicles and in the automotive industry, one competitor utilising CNT-based film heaters. In addition, Canatu CNTs face competition from existing solutions, such as composite pellicles in the semiconductor industry, metal wire solutions in the automotive industry or solutions based on gold, platinum or carbon paste in medical diagnostics as well as other technological solutions and manufacturing processes alternative to existing solutions, such as graphene-based solutions, which may be more competitive or efficient than CNT-based solutions.

Figure 11 illustrates Canatu's key competitors in Canatu's three different business areas identified by Canatu's management.

30 Canatu's management's view based on the Market Study.

Figure 11: Canatu's key competitors



Source: Canatu's management.

Semiconductor

CNT is advantageous when compared to other EUV pellicle technologies (using different material: polysilicon, composite, graphene) with respect to their technical capabilities (*i.e.*, transmission rate, thermal stability, strength, and ability to prevent particle contamination).[31] CNT-based pellicles enable better EUV light transmission rates than current alternatives: CNT can potentially offer up to 7–15 per cent higher transmission rate across all machine types compared to composite, which may translate to a positive efficiency impact of up to similar magnitude on production throughput.[32] For further information on the potential efficiency gain, see section "*Information on Canatu – Business of Canatu – Key Strengths – 2. Current, high-growth focus markets are estimated to grow to EUR 2–4 billion by 2030*".

Canatu's management has identified Mitsui Chemicals Inc. and LINTEC Corporation as key competitors on the CNT pellicle market. However, according to Canatu's management, Canatu is the only major CNT player that only focuses on CNT technology as its core business and that, due to multiple years of CNT development, it has the leading position in the field of its own technological method. To Canatu's knowledge, Canatu is the only major CNT-based pellicle manufacturer using Dry Deposition methodology. In Canatu's management's opinion, Canatu's Dry Deposition, which does not require ultrasonication or surfactants cutting or damaging the CNT, enables significantly improved properties/features of CNT over the wet dispersion process. Due to Dry Deposition, the CNT has, in Canatu's view, greater strength, minimised defects, higher conductivity, and significantly higher electrochemical sensitivity compared to wet dispersion technology. Furthermore, the duration and costs of manufacturing may, according to Canatu's estimate, be smaller than in the wet dispersion methodology. However, Mitsui Chemicals Inc., IMEC and Lintec Corporation have established a partnership to develop CNT-based pellicles based on wet dispersion methodology. Canatu is not aware of any major other companies that would have the capability to mass manufacture CNT-based pellicles.

Automotive

There are various manufacturers of heater products ranging from CNT film heaters to basic wire heaters. However, of the recognised competitors only CHASM Advanced Materials, Inc. utilises CNT-based film heaters. Geomatec Co. Ltd. and Oribay Group Automotive manufacture film heaters utilising metallic heating wires and nano technology. According to Canatu's management, CNT heaters are, in some aspects, advantageous to basic wire heaters, since they require less energy due to high conductivity of CNT, have no

31 Canatu's management's view based on the Market Study.

32 Canatu's management's view based on the Market Study.

lens flare (which is a common issue in metal wires) leading to improved image quality, and provide even heat distribution due to them being films.

Medical Diagnostics

Several companies in the markets manufacture various materials utilised in biosensors and ready-made biosensors. Of the POC testing competitors recognised by Canatu's management, only Metrohm DropSens SL manufactures, in addition to other materials, CNT-based electrodes that can be utilised in the manufacturing of biosensors. However, according to Canatu's management, Metrohm DropSens SL does not manufacture the CNTs it uses by itself, unlike Canatu.

Other competitors consist of companies that utilise other materials in applications for POC testing. Integrated Graphene Ltd. manufactures, based on carbon, three-dimensional nano structure, which the company utilises in electrochemical electrodes designed for POC testing. Lyten Inc. manufactures three-dimensional graphene, which the company utilises, for example, in biosensors designed for POC testing. Paragraf Limited manufactures electrolyte-gated field-effect transistors utilising graphene technology, which can be used to detect molecules. Grolltex Inc. manufactures, by utilising chemical vapor deposition, graphene films that can be utilised in biosensors. Zimmer & Peacock AS manufactures biosensors for POC testing utilising for example gold, platinum and carbon paste. Canatu strives to operate in POC testing in such sectors where Canatu's management does not expect traditional materials (such as carbon paste, graphene foam and commercial gold) to be as competitive as CNT.

Based on tests conducted by Canatu itself, CNT may offer significant benefits compared to alternative materials: it enables high sensitivity at ultra-low concentrations. According to non peer-reviewed E. coli bacterial tests conducted by Canatu, the Combined Company's CNTs have the potential to get results from 86 E. coli bacterial cells per millilitre, while the industry standard (California Mastitis Test) is 300,000 E. coli bacterial cells per millilitre. In addition, based on tests conducted by Canatu, Canatu's CNT may have a materially higher signal-to-noise ratio (SNR) than the alternatives Canatu knows to be suitable for mass manufacturing (e.g. carbon paste, graphene foam and commercial gold). Based on tests conducted by Canatu, its proprietary click chemistry enables sensing several analytes (DNA mutations, pathogens, hormones and drug molecules) and CNT enables simultaneous testing of multiple biomarkers from a single sample.

Although Canatu has not recognised many competitors in the field of CNT-based POC testing, applications utilising for example gold, carbon paste or other alternative materials may enter the market and turn out to be more competitive or efficient than the Combined Company's solutions.

INFORMATION ON CANATU

General Information

The business name of Canatu is Canatu Oy and it is domiciled in Helsinki, Finland. Canatu is a limited liability company registered in Finland and established in accordance with Finnish law. Canatu was registered in the Trade Register on 18 March 2004. Canatu is entered in the Trade Register under business identity code 1886098-1 and its LEI code is 8945007ZRTM45H9HF841. Canatu's postal address is Tiilenlyöjänkuja 9 A, FI-01720 Vantaa, Finland. Canatu's website is at https://canatu.com/. Canatu's financial year is calendar year.

Pursuant to Article 2 of Canatu's Articles of Association, its line of business is the research, development, enhancement, and utilisation of nanotechnological materials, applications, and methods, as well as consulting related to the field.

Canatu was founded in 2004 as a spin-off from Aalto University's Nanomaterials Group by four senior scientists specialising in materials, characterisation, and aerosol technologies. Canatu currently has 127 employees representing over 30 nationalities, with approximately 20 per cent holding doctorates or being doctoral candidates. Canatu holds 130 patents and has over 50 patents pending across 38 distinct families.

Business of Canatu

Overview of Canatu

Canatu develops advanced CNT-based materials and CNT reactors for products that transform industries. Canatu's carbon nanotube technology, Canatu CNT, is based on a special process that aims to ensure the required versatility and reliability of CNT material for advanced engineered solutions. Canatu partners with forerunner companies, developing new kinds of CNT-based product solutions. Canatu's focus is on the semiconductor industry, the automotive industry and medical diagnostics, with the portfolio covering CNT membranes, CNT-based film heaters for LiDARs and cameras, and CNT reactors.

Canatu's development work for Canatu CNT has created an advanced Dry Deposition™ process that yields high-purity and strong CNTs. Canatu also sells manufacturing equipment, *i.e.* reactors, that uses the Dry Deposition methodology. Canatu's CNTs are applied in membrane applications, such as EUV pellicles, debris filters and optical filters, as well as in CNT-based film heater applications, such as LiDAR sensors and cameras. Canatu's CNTs may also be used in electrochemical sensing applications for diagnostics, such as biosensors, water quality testing and testing of animals.

The following table presents a selection of Canatu's key performance indicators as at and for the financial years ended 31 December 2023, 31 December 2022 and 31 December 2021. For further information on the calculation of Canatu's key performance indicators, see sections "*Certain matters – Presentation of Financial Statements and Certain Other Information – Historical Financial Information of Canatu*" and "*Selected Financial Information of Canatu – Financial Key Figures*".

	As at and for the financial year ended 31 December		
EUR thousand	**2023**	**2022**	**2021**
	(unaudited, unless otherwise stated)		
Net turnover(1	13,591	8,382	5,455
Gross profit	9,632	5,503	3,330
Gross profit %(2	71%	66%	61%
EBITDA	278(4	-1,782	-2,911
EBITDA %	2%(4	-21%	-53%
Operating profit (loss), EBIT(1	-640(4	-2,440	-3,660
Operating profit (loss), EBIT %	-5%(4	-29%	-67%
Profit (loss) for the financial year(1	-1,318(4	-2,974	-3,930
Equity ratio %	28%(4	30%	12%

1) Audited.
2) Based on Lifeline SPAC I's due diligence work, certain personnel expenses have been reclassified from operating expenses to cost of goods sold.
3) Alternative Performance Measure.
4) Includes approximately EUR 1.7 million conversion of a Business Finland loan into a grant, which has been recognised as other operating income.

History

Canatu was founded in 2004 as a spin-off from Aalto University's Nanomaterials Group by four senior scientists specializing in materials, characterization, and aerosol technologies: Esko Kauppinen, David Brown, Albert Nasibulin, and Hua Jiang. As at the date of this Company Description, co-founder Esko Kauppinen still acts as a Board advisor at Canatu.

The following table outlines important events in Canatu's history:

Year	Event	
2004	-	Canatu is incorporated
2007	-	Canatu receives its first seed investment of EUR 250 thousand
2010	-	Canatu moves to its own office in Konala (Helsinki, Finland) from Aalto University
2014	-	Canatu is granted ISO 9001 certification
2015	-	Canatu begins mass manufacturing for the automotive industry
2016	-	Canatu closes a funding round of EUR 18 million, of which EUR 12 million is a loan from the European Investment Bank (investors include Faurecia SE, Inventure Oy, Mymetics Holding (Cyprus) Ltd and Infosto Inc)
2016	-	Canatu and Faurecia SE sign a joint development agreement regarding automotive interior systems
2017	-	Canatu and IMEC start collaborating to develop CNT-based EUV pellicles
2017	-	Canatu closes a funding round of EUR 12 million (investors include Ascend Tapio S.a.r.l., DENSO Corporation and Faurecia SE)
2018	-	Canatu closes a licensing deal with DENSO Corporation regarding ADAS heater technology
2019	-	Canatu closes a funding round of EUR 17 million (investors include 3M Company, Mymetics Holding (Cyprus) Ltd , DENSO Corporation and Faurecia SE)
2019	-	Canatu opens a production facility in Vantaa, Finland
2020	-	Canatu's medical diagnostic products enter first clinical trials
2021	-	Canatu begins mass manufacturing for the semiconductor industry
2022	-	Canatu is granted IATF 16949 certification
2022	-	Canatu closes a funding round of EUR 8 million led by 3M Company, Cheerplan (HK) Limited, Ascend Tapio S.a.r.l. and eFruit International Inc
2024	-	Canatu sells its first CNT reactor
2024	-	Canatu and Lifeline SPAC I enter into agreement whereby Lifeline SPAC I acquires Canatu

Key Strengths

Canatu believes that the following factors in particular are its key strengths and represent its long-term competitive advantages:

1. Rapidly growing deep technology company with attractive margins;
2. Current, high-growth focus markets are estimated to grow to EUR 2–4 billion by 2030[33];
3. Customer relationships with leading global companies;
4. Differentiated IPR-protected technology supporting a strong competitive position;
5. Proven and efficient mass manufacturing capability;
6. Business model enabling scalable, asset-light growth with high-margin potential; and
7. Technological expertise with experienced management attracting global talent.

Relying on these key strengths, the Combined Company has set Long-Term Financial Targets of annual revenue of over EUR 100 million and adjusted EBIT margin (adjusted for goodwill amortisations under the Finnish Accounting Standards) of over 30 per cent in 2027.

On the basis of Canatu's current business plan, the Combined Company targets annual revenue of over EUR 100 million and adjusted EBIT margin of over 30 per cent (adjusted for goodwill amortisations under the Finnish Accounting Standards) in 2027.

The Long-Term Financial Targets largely build on (i) Canatu's existing customer relationships, (ii) Canatu's current or currently developed offering within the selected three focus industries, and (iii) Canatu's assessment of its gross margin potential within those focus industries.

[33] Canatu's management's view based on the Market Study.

The current mass production phase customers within semiconductor (including CNT reactor customers) are expected to be the largest contributors to the revenue target of over EUR 100 million in 2027. Relative to the other focus industries, semiconductor is also expected to offer the highest gross margin potential for the Combined Company in 2027

In automotive, Canatu's current mass production and mass development customers (i.e. customers with whom Canatu is doing active joint development work with a target of moving to mass production (typically within 2–4 years with automotive customers)) are expected to be the key customers in 2027. LiDAR heaters and camera heaters are expected to be medium contributors to the revenue target of over EUR 100 million in 2027, while windshield heaters' contribution is expected to be very limited. Relative to the other focus industries, automotive is expected to offer medium gross margin potential for the Combined Company in 2027.

Medical diagnostics is expected to have limited contribution to the Long-Term Financial Targets of 2027 as Canatu's offering for the industry is currently under development, and Canatu estimates that market entry could take place within 1–5 years, depending on the application. Canatu is currently evaluating possible go-to-market partners, and the ones eventually chosen are expected to be the Combined Company's key customers in 2027. Relative to other focus industries, medical diagnostics is expected to offer high gross margin potential for the Combined Company in 2027. However, given that the offering is still under development and the market entry is pending, this expectation is based on Canatu's management's preliminary view of potential manufacturing costs and sales prices.

Canatu has a solid track record of strong gross margins. Canatu's gross margin was 61 per cent in 2021, from which it increased to 66 per cent in 2022 and further to 71 per cent in 2023. The positive gross margin development has been impacted among other by factors such as the start of mass production of inspection consumables in 2021, the commissioning of a new fully automated mass production line in 2022, and the continued growth of semiconductor in 2023. Going forward, the Combined Company's pricing power and gross margins are expected to be supported by strong moats:

- *High barrier to entry -business:* In Canatu's view, advanced CNTs are difficult to produce and customise in scale, and applications require highly sophisticated material and process technology.

- *There are only few capable competitors per application area:* Canatu considers that it is globally one of very few companies currently capable of producing advanced CNTs.

- *Significant value-add potential to customers' processes and end-products:* Canatu's customised advanced CNTs potentially offer significant enhancement potential to customers' process quality and productivity or to the properties of their end-products.

- *IP protection through patents and proprietary processes:* Canatu holds 130 patents and has over 50 patents pending across 38 distinct families, while certain key parts of the production process are protected by trade secrets.

Scale benefits from Canatu's operating cost base are expected to support the Long-Term Financial Targets of reaching an adjusted EBIT margin of over 30 per cent (adjusted for goodwill amortisations under the Finnish Accounting Standards) in 2027. Total operating expenses are expected to provide substantial scale benefits as they are expected to grow at a clearly lower pace than the growth rates implied by the revenue target included in the Long-Term Financial Targets. While Canatu has been investing in its growth by increasing its average headcount from 52 FTEs in 2021 to 93 FTEs in 2023, the Company anticipates that reaching the Long-Term Financial Targets in 2027 may require growing the headcount by 25–35 FTEs annually. Canatu's other operating expenses have historically grown in line with the headcount growth and this is expected to continue also when going forward, while the change from a private company to a publicly listed company will incur some additional operating expenses. Depreciation and amortisation have represented less than 10 per cent of Canatu's total operating cost base in 2021–2023, and, assuming performance in line with the Long-Term Financial Targets, Canatu's management does not expect major changes in depreciation and amortisation going forward (excluding possible goodwill amortisations under FAS). Canatu's depreciation and amortisation in 2021–2023 primarily comprised depreciation of machinery and equipment, production machinery, buildings, and other tangible assets, while amortisation primarily comprised of patents and premises' renovations costs. Unlike quite many similar companies, Canatu has not activated its R&D-related personnel expenses in 2021–2023.

Canatu's total capital expenditure amounted to EUR 2.2 million in 2022 and EUR 4.7 million in 2023. In the 2024 financial year, Canatu's management expects Canatu's total capital expenditure to amount to EUR 5–6 million. Canatu's management expects that the amount of Canatu's current capital expenditure is adequate for reaching the Long-Term Financial Targets. This is expected to be supported by Canatu's efficient and proprietary Dry Deposition™ CNT-technology platform and the existing factory in Finland, which has been built to support possible expansion by multiple manufacturing lines, providing potential to scale production at the factory with relatively low investment requirements.

1. Rapidly growing deep technology company with attractive margins

Canatu is a rapidly growing deep technology company that uses its carbon nanotube (CNT) technology platform to create advanced CNTs for products that significantly transform industries.

Canatu's net turnover has grown strongly from EUR 1.5 million in 2020 to EUR 13.6 million in 2023, reflecting a compound annual growth rate of 108 per cent. The high net turnover growth has been paired with an attractive gross margin development, reaching 71 per cent in 2023 compared to 61 per cent in 2021.

2. Current, high-growth focus markets are estimated to grow to EUR 2–4 billion by 2030[34]

Canatu's carefully selected focus industries (semiconductor, automotive and medical diagnostics) are all experiencing technological disruption. Semiconductor must service the growing demand for high-end chips driven by advancements in artificial intelligence and computing, automotive is seeking to shift into autonomous and assisted driving and electric vehicles, and medical diagnostics is in some parts of the care chain aiming to increasingly transition to point-of-care testing from laboratory-based testing. In Canatu's view, it is well positioned to support the above-mentioned industry shifts and provide high value-add via CNT solutions.

Semiconductor

In the semiconductor industry, which is a heavily concentrated industry and relies on certain countries, such as Taiwan, Canatu's CNT solutions are targeted at EUV lithography-based manufacturing processes, which are used to produce advanced microchips. Sub-7nm EUV chips are the fastest growing segment in semiconductor. Semiconductor market size of selected industries (smartphone, personal computing, servers, data centres and storage, industrial electronics, automotive, consumer electronics, and wired & wireless infrastructure) amounted to approximately USD 595 billion in 2023. Canatu's management estimates that the semiconductor market size grows to USD 1,098 billion in 2030, implying a 9 per cent average annual growth from 2023 to 2030, while within the same time period the share of the EUV semiconductor market within the entire semiconductor market is continuously increasing. The top-three microchip manufacturers Intel Corporation, Samsung Electronics Co., Ltd. and Taiwan Semiconductor Manufacturing Company, Limited (TSMC) have publicly announced planned investments of over USD 300 billions in new production capacity. Canatu's management estimates that approximately 70–80 per cent of the announced investments will be allocated for semiconductor manufacturing equipment, driving significant business opportunities for Canatu. In Canatu's view, its CNT solutions help microchip manufacturers and other semiconductor industry customers enhance the efficiency of their production and quality control processes. Canatu currently offers customers (i) CNT-based EUV photomask inspection consumables, i.e. predominantly nanoparticle filters (the "**inspection consumables**"), (ii) CNT reactors and related non-discretionary (required in sales agreements) consumables for CNT membrane manufacturing for EUV pellicles (the "**CNT reactors**"), and (iii) CNT membranes/technology, which is a key part of CNT-based EUV pellicles (the "**CNT-based pellicles**") (ready-made EUV pellicles, which include framing and specialty coating, are currently not available from Canatu).

Inspection consumables are used in multiple quality control phases along the EUV lithography process. Inspection consumables prevent particles from contaminating the photomask in the inspection phase and filter out unwanted wavelengths of light. In the patterned mask inspection, currently the primary application area of Canatu's inspection consumables, the market for the inspection consumables is estimated to grow from approximately EUR 10 million in 2024 to approximately EUR 40 million in 2027 and further to approximately EUR 60 million in 2030, implying a 33 per cent average annual growth from 2024 to 2030. Beyond the patterned mask inspection, the other quality control phases are estimated to potentially expand the addressable market for Canatu's inspection consumables by approximately 2–5 times, resulting in a total market potential of

[34] All estimates on market size are Canatu's management's view based on the Market Study. Other views are based on the current views and expectations of Canatu's management, unless otherwise stated.

approximately EUR 120–300 million in 2030. The estimated inspection consumables market growth is driven by the strong expected growth of semiconductor end-product markets (e.g. AI-enabling hardware, data centres and consumer electronics).

The market for CNT-based pellicles is currently only emerging, e.g. Canatu is scheduled to deliver the first two CNT reactors to its customers in 2024, and the market growth is expected to be dependent on the adoption curve of advanced pellicles. The addressable market for CNT-based pellicles is estimated to amount to approximately EUR 260–1,050 million in 2027 and grow to approximately EUR 950–2,010 million in 2030. If the demand for CNT-based pellicles were satisfied with Canatu CNT reactor sales only, the market size would be materially smaller, approximately hundreds of millions of euros in 2030, due to Canatu's reactors' high efficiency. In such a scenario, recurring revenue elements such as the sale of non-discretionary (required in sales agreements) consumables and royalties would potentially comprise a very large part of the market. The estimated CNT-based pellicles market growth is also driven by the strong expected growth of the semiconductor end-product markets (e.g. AI-enabling hardware, data centres and consumer electronics). Additionally, however, the demand for CNT-based pellicles is expected to grow due to their technical capabilities and applicability across different EUV lithography machine generations, both of which seem to be superior compared to other pellicle technologies (including composite- and graphene-based pellicles). EUV pellicles protect photomasks from contaminating particles and assuring a higher quality of chip production. Defected photomasks result on lower yields and less profitable business for chip manufacturers. Compared to composite-based pellicles, CNT-based pellicles are expected to offer (i) an estimated potential productivity increase of up to 7–15 per cent due to their higher EUV-light transmission rate[35] and (ii) higher thermal stability and mechanical strength due CNTs' physical characteristics. CNT-based pellicles' higher thermal stability and mechanical strength are particularly valuable in advanced EUV lithography machine (i.e. ASML Holding N.V.'s NXE:3800E machines and the generations following that) applications, where increasing heat loads and mechanical stress make composite-based pellicles an economically less viable option.

The CNT-based pellicles market size estimates' lower ends have assumed that CNT-based pellicles will have selective adoption in logic chip production and limited adoption in memory chip production and primarily in advanced EUV lithography machines (the "**selective adoption**"), while the higher ends assume a gradual increase towards full adoption in logic chip production and moderate adoption in memory chip production (the "**wide adoption**"). The Combined Company's Long-Term Financial Targets have assumed the selective adoption. If the wide adoption materialises, it could potentially provide a material organic upside potential to the Combined Company's Long-Term Financial Targets.

Automotive

In the automotive industry, Canatu currently focuses on offering CNT-based film heaters for LiDARs (the "**LiDAR heaters**") and cameras (the "**camera heaters**"), with CNT-based film heaters for full windshields (the "**windshield heaters**") and headlights as well as solar cells being a potential future extension area, according to Canatu's view. LiDAR heaters and camera heaters are used for ADAS to keep vehicles' critical sensors clear from moisture condensation (fog), snow and ice. In Canatu's view, its CNT-based LiDAR Heaters and camera heaters provide higher optical performance than currently available alternative solutions. Canatu expects that the optical performance of LiDAR heaters and camera heaters potentially becomes increasingly important when vehicle manufacturers pursue increasingly adopting higher autonomy-level ADAS (partly ADAS that support the SAE (Society Automotive Engineers) automation level 2, but in particular ADAS that support the SAE automation levels 3–5) in their vehicles. Canatu's applications relating to windshield heaters, currently in pre-development phase, are designed to enhance vehicles' thermal energy efficiency, while providing high optical performance for windshield ADAS sensors. Canatu expects that the energy efficiency and the high optical performance of its possible future windshield heater film solution potentially become increasingly important when vehicle manufacturers pursue growing their production of battery-electric vehicles.

The market for LiDAR heaters is expected to grow from approximately EUR 5 million in 2024 to approximately EUR 20 million in 2027 and further to approximately EUR 43 million in 2030, implying a 42 per cent average annual growth from 2024 to 2030. The market for camera heaters is expected to grow from approximately EUR 10 million in 2024 to approximately EUR 70 million in 2027 and further to approximately EUR 170 million in 2030, implying a 53 per cent average annual growth from 2024 to 2030. In both markets, the estimated growth is driven by the expected increasing adoption of higher autonomy-level ADAS, which increases the number of addressable LiDARs and cameras requiring advanced heating solutions.

[35] Canatu's management's view based on the Market Study.

The market for windshield heaters is expected to grow from approximately EUR 30 million in 2024 to approximately EUR 160 million in 2027 and further to approximately EUR 600 million in 2030, implying a 63 per cent average annual growth from 2024 to 2030. The estimated market growth is driven by the expected growth in the number of manufactured battery-electric vehicles with heated windshields.

Medical Diagnostics

For the medical diagnostics, Canatu currently develops CNT-based biosensors (the "**CNT-based biosensors**") for electrochemical biosensor solutions, aimed to enable a quick and potentially inexpensive alternative compared to current methods for medical diagnostics (e.g. laboratory tests). CNT-based biosensors can be utilised to detect a variety of analytes that leave biomarkers (e.g. DNA mutations, pathogens, hormones and drug molecules) and test multiple biomarkers from a single sample simultaneously. Canatu's current focus is on the development of testing solutions for detecting paracetamol overdose and lung and breast cancers, however, the Company has identified dozens of other potentially applicable use areas for test solutions. Based on Canatu's analysis, the physical characteristics of Canatu CNTs might enable point-of-care tests that are potentially considerably more sensitive and accurate with over 10 times higher signal-to-noise ratio than the tests currently based on biosensors using traditional materials (e.g. gold and carbon paste). According to non peer-reviewed E. coli bacterial tests conducted by Canatu, the Combined Company's CNTs have the potential to get results from 86 E. coli bacterial cells per millilitre, while the industry standard (California Mastitis Test) is 300,000 E. coli bacterial cells per millilitre. As Canatu's production line is already established, at scale, Canatu has mass production capacity for tens of millions of CNT-based biosensors annually.

Assuming Canatu's CNT-based biosensors fulfil technological and regulatory requirements, the total addressable market in breast cancer testing, lung cancer testing and paracetamol overdose testing in 2030 is estimated to range from EUR 400 million to EUR 1,100 million. Breast cancer testing is estimated to constitute approximately 90 per cent (EUR 400–950 million), lung cancer testing approximately 10 per cent (EUR 30–130 million) and paracetamol overdose testing approximately 1 per cent (EUR 5 million) of the total addressable market. The most significant market driver for the medical diagnostics market is the adoption rate of testing, i.e. the size of the tested population and the testing frequency.

3. Customer relationships with leading global companies

Canatu's customers are typically large global companies that hold strong market positions within their respective fields of business.

The potential customer universe in semiconductor includes companies such as Asahi Kasei Corporation, Bruker Corporation, FormFactor, Inc., Intel Corporation, KLA Corporation, Lasertec Corporation, Micron Technology, Inc., Mitsui Chemicals, Inc., Samsung Electronics Co., Ltd., Shin-Etsu Chemical Co., Ltd., SK hynix Inc., Taiwan Semiconductor Manufacturing Company, Limited (TSMC) and Carl Zeiss AG (illustrative list of potential customers, and not a representation of Canatu's current customers). Some of these companies are foundries, *i.e.* manufacture EUV semiconductors whilst others are manufacturers of EUV pellicles or photomask inspection machinery. The customer concentration in semiconductor is typically large.

Similarly, the potential customer universe in automotive includes companies such as AB Volvo, Asahi Glass Co., Ltd., Aston Martin Lagonda Global Holdings plc, Bayerische Motoren Werke AG (BMW), Compagnie de Saint-Gobain S.A., Continental AG, Daimler AG, Denso Corporation, Ferrari N.V., Forvia SE, Hella GmbH & Co. KGaA, Innoviz Technologies Ltd., Jaguar Land Rover Limited, Luminar Technologies, Inc., Mobileye N.V., Rivian Automotive, Inc., Robert Bosch GmbH, Tesla, Inc. and Volkswagen AG (illustrative list of potential customers, and not a representation of Canatu's current customers). Some of these companies are OEMs, *i.e.* manufacture cars under a certain brand whilst others are component or sub-system suppliers to the industry.

The potential customer universe in medical diagnostics is only emerging given that the Company expects the first products to enter into market in 2025–2026. However, as a key part of its go-to-market strategy Canatu is in and is extending discussions in both human health and veterinary sector with certain leading global companies in order to find suitable partner(s). In human health and veterinary sector some of the leading companies potentially relevant to Canatu include Abbot Laboratories, Roche Holding AG, Siemens Healthcare GmbH, Teledyne Technologies Incorporated, Thermo Fisher Scientific Inc. and Zoetis Inc (illustrative list of potential customers, and not a representation of Canatu's current customers).

In 2023 and 2024 the Company has invoiced almost 50 customers most of which are engaged either in semiconductor or automotive, while the five largest customers accounted for approximately 90 per cent of

Canatu’s net turnover in 2023. The product development cycles are long and customer relationships are thus typically expected to be long-lasting as well. For instance, Canatu commenced its development of EUV technology products in 2017 with the first products entering into mass manufacturing in 2021. For further information on Canatu's products, see section "– *Canatu's Products*” below.

Canatu has demonstrated high customer retention in its current relationships (i.e. to continue existing customer relationships), as all customers who have entered into mass-manufacturing relationships with Canatu remain customers as of the date of this Company Description.

4. Differentiated IPR-protected technology supporting a strong competitive position

In Canatu’s view, advanced CNTs in general offer an optimal combination of optical, electrical, thermal, mechanical, and chemical properties, providing a combination of lightweight, strength, and multifunctional properties that in several application areas are superior to other materials.

The advanced CNTs that are required *e.g.* in products that Canatu manufactures or is in process to manufacture to its focus industries, semiconductor, automotive and medical diagnostics, are in Canatu’s view difficult to manufacture and customise in scale as the applications require highly sophisticated material and process technology. Canatu considers that these requirements characterise advanced CNTs as high barrier of entry industry where there are only few or no capable competitors in each of Canatu’s focus areas. Canatu views Mitsui Chemicals, Inc. and Lintec Corporation as its main CNT competitors in semiconductor and CHASM Advanced Materials, Inc. as its main CNT competitor in automotive. To Canatu’s knowledge, there are no recognised advanced CNT companies engaged in medical diagnostics.

Canatu’s competition in its focus industries can be described as twofold. Firstly, the Canatu’s products compete against other materials and technologies than CNT. Secondly, Canatu’s products may compete with other CNT companies.

When Canatu’s products compete with other materials and technologies than CNT, the competitive advantage stems partly out of the general properties of advanced CNT and partly out of the specific properties of Canatu CNT. For instance, in EUV pellicles, Canatu’s CNT membranes offer better durability and up to 7–15 per cent better EUV transmission[36] (which is connected to higher productivity) than traditional composite materials. In LiDAR Heaters and camera heaters, Canatu CNTs offer, according to Canatu’s management, higher optical and conductivity performance than the currently available solutions based mainly on metal wire technology. In medical diagnostics, Canatu expects its CNT membranes to offer clearly better sensitivity and accuracy than the currently used materials, *e.g.* gold and carbon paste.

When Canatu’s products compete with the CNTs of other CNT manufacturing companies, Canatu considers its competitive advantage to be based on its differentiated CNT manufacturing technology (CNT reactors), the development work of which has created an advanced proprietary Dry Deposition™ technology. Contrary to Canatu, its CNT competitors seem to have based their CNT technology on what is called wet dispersion technology. Canatu considers its Dry Deposition™ technology to have material advantages over wet dispersion technologies. These advantages are initially based on differences in manufacturing methodology where wet dispersion has to be subjected to considerably more process steps and to use of, *e.g.,* different solvents. This, in Canatu’s view, means that Canatu’s Dry Deposition™ technology is easier to modify to produce desired features and provides stronger, longer and more pristine carbon nanotubes than those manufactured with wet dispersion. For instance in EUV pellicles, Canatu considers that a pellicle manufactured with wet dispersion is bound to be thicker to offer the same mechanical strength than a pellicle manufactured with Canatu’s Dry Deposition™ technology. This, in Canatu’s view, would mean that a pellicle manufactured with wet dispersion technology would have lower EUV transmission, which in turn would mean inferior productivity potential.

Canatu’s intellectual property assets include 130 patents and over 50 patents pending across 38 distinct families as well as several trade secrets, pertaining both to Canatu’s Dry Deposition™ manufacturing (reactor) technology as well as to different applications for semiconductor, automotive and medical diagnostics industries. Whilst CNT in general is a widely patented area of technology, Canatu considers its intellectual property assets to provide certain protection to its technology.

5. Proven and efficient mass manufacturing capability

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[36] Canatu’s management’s view based on the Market Study.

Similar to some other advanced technology materials, one obstacle to advanced CNTs' wider use and applicability has been the lack of mass manufacturing capability and capacity to produce advanced CNTs in scale with demanding specified properties.

Canatu started to mass manufacture its first CNT products (touch sensors for automotive) in 2015 and has since then manufactured nearly 1 million such sensors with no field returns, according to Canatu's management's information. In semiconductor, the mass manufacturing of inspection consumables commenced in 2021 and the first CNT reactor sales were agreed on in 2023 and they are to be delivered in 2024.

Canatu considers its proven mass manufacturing capability and capacity to form a key competitive advantage as the Company can commit to manufacturing high quality CNTs in high volumes to critical applications trusting its mass manufacturing experience and efficiency.

6. Business model enabling scalable, asset-light growth with high-margin potential

Canatu's business model builds on and leverages its efficient and proprietary Dry Deposition™ CNT-technology platform.

For the semiconductor industry, Canatu currently either manufactures and sells CNT membranes for EUV lithography (e.g. for inspection consumables) or manufactures and licenses CNT reactor technology for customers' in-house CNT membrane manufacturing needs (e.g. for EUV pellicles). Licensing Canatu's CNT reactor technology typically entails a fixed fee for reactor delivery and subsequent recurring royalty payments, as well as the sale of non-discretionary (required in sales agreements) production consumables by Canatu.

With respect to the automotive industry, Canatu is currently ramping up mass production and sale of LiDAR heaters and camera heaters. Canatu is currently developing windshield heaters in cooperation with its customers. The commercialisation of the windshield heater technology, if pursued, may be either via Canatu's own mass production and sale of windshield heaters or via manufacturing and licensing CNT reactor technology for selected customers' in-house windshield heater production.

Independent of whether Canatu mass manufactures and sells CNT-based products or manufactures and licenses CNT reactor technology, Canatu's Dry Deposition™ CNT-technology platform is expected to support asset-light growth and attractive gross margin potential, in both semiconductor and automotive.

7. Technological expertise with experienced management attracting global talent

Canatu's success is built on experienced management and highly skilled employees. At the end of June 2024, Canatu had 127 employees from around 30 countries, with approximately 20 per cent holding a doctorates or being doctoral candidates.

Canatu's management team has a proven track record of success, guiding Canatu with strategic vision and leadership skills. CEO Juha Kokkonen has extensive experience in leading technology companies, mass-manufacturing, and go-to-market execution. The management team's success has been demonstrated by technological advancements in CNT membranes and film heaters for ADAS and the rapid growth in net turnover in recent years. In Canatu's opinion, the management's commitment to building a supportive and inclusive workplace culture ensures that employees are not only skilled but also highly satisfied and engaged.

In addition to the financial performance, the management team has demonstrated its effectiveness by building long-term relationships with key players within Canatu's respective industries. In Canatu's view, having a close relation to key people paves the way for collaboratively finding new solutions and developing potential new CNT products.

Canatu aims to continue to attract top global talent in carbon nanomaterials from technological, manufacturing, and commercial perspectives who share the ambition of building into and retaining Canatu as a globally leading carbon nanomaterial developer.

Vision and purpose

Canatu's vision is to create advanced CNTs for products that significantly transform industries.

Canatu's purpose is transforming products with nano carbon.

Business Strategy

General

Canatu's strategic vision is structured around three primary waves of industries: the semiconductor industry, the automotive industry, and the medical diagnostics industry. This approach is designed to firstly take advantage of the more lucrative industries where Canatu has already developed and largely commercialised the needed technological applications. Each of these industries represents a global niche market with high margin potential, aligning with Canatu's strategy to position itself as a manufacturer of advanced CNTs for processes and products that transform industries, such as the manufacturing process of chips produced with EUV technology, autonomous vehicle applications and advanced diagnostic point-of-care (POC) testing applications.

Currently, Canatu's priority industry is the semiconductor industry that forms its cornerstone with 82 per cent (EUR 11,146 thousand) of Canatu's net turnover in 2023. In addition to Canatu's operations have grown most quickly in the semiconductor industry, Canatu develops, manufactures and sells CNT-based products to the automotive industry, a field that is rapidly transforming with the advent of autonomous vehicles and the expansion of electric vehicles (EVs). Eventually, Canatu also expects the medical diagnostics industry to become a more important business area, tapping into the growing demand for precision diagnostics tools, as Canatu continuously pursues new businesses and product opportunities for CNTs.

Central to Canatu's strategy is Canatu's proprietary carbon nanotube technology. Canatu has been investing strategically in the development and refinement of this technology to create a good competitive position vis-à-vis its competitors, becoming one of the few players that can currently offer advanced CNT products. Canatu has invested over EUR 80 million in developing its technology since its foundation. Canatu has created a patent portfolio with 130 patents and over 50 patents pending across 38 distinct families, which covers numerous technical aspects of its CNT production processes, further supporting its strategy to become a strong player in its key focus industries. The patent portfolio and other intellectual property rights also enhance Canatu's ability to compete in its targeted niches with high margin potential.

Canatu's target to grow globally and maintain a good competitive position in its targeted markets is further supported by its good understanding of industry developments and active dialogue with global industry leading companies. Canatu believes that this proactive engagement allows it to identify and address emerging challenges faced by its customers, thereby fostering strong customer relationships.

Canatu also emphasises the continuous development of its business model. Currently, Canatu generates revenue through equipment sales and licensing of its technology as well as the sales of CNT-based products and materials. Recently, the share of equipment sales and technology licensing has increased in Canatu's operations, which Canatu believes will support longer-term customer relationships and continued revenue streams.

Semiconductor strategy

The semiconductor industry is currently the cornerstone of Canatu's operations, contributing 82 per cent (EUR 11,146 thousand) of Canatu's net turnover in 2023. Canatu also expects the semiconductor industry to generate a significant share of its total revenue in short and mid-term. Canatu identifies blue-chip players in the semiconductor industry as its potential clients, positioning itself to engage with significant clients who demand high quality and reliability in their production processes. Canatu's strategy to position itself as a supplier to industry leading companies is designed to create sustainable long-term revenue streams. In Canatu's opinion, industry leading companies are more inclined to adopt proven and reliable products, such as those Canatu aims to develop, and are less likely to switch to unproven substitutes.

Currently, Canatu's debris filters are in mass manufacturing, which generates consistent revenue. Subsequently, Canatu expects that the first client deliveries of its S-100 reactor will occur in 2024 to enable customers to produce CNT membranes for EUV pellicle products themselves. In Canatu's view, its CNT technology meets the industry's stringent requirements relating to heat resistance, EUV transmittance, and ability to handle stress, which should enhance the efficiency of semiconductor manufacturing processes. Canatu's focus is driven by the immense potential for value creation and future expected growth within the semiconductor industry.

The primary products within the semiconductor industry, CNT membranes that can be used in EUV pellicles and as debris filters and optical filters, are essential consumables in the EUV lithography process and related quality control of EUV mask inspection. EUV pellicles are created from CNT membranes and used to protect EUV photomasks in the EUV lithography process from contamination of particles, which increases the quality of the end product. Canatu believes it is strategically well-positioned to help customers solve their advanced problems with next-generation EUV lithography. In Canatu's view, the CNT membranes based on Canatu's technology offer durability and EUV light transmittance, making them possibly important in the production of next-generation semiconductors. Similarly, Canatu's debris filter and optical filters are designed to enhance the purity of manufacturing environments, which is critical for producing defect-free semiconductor devices.

A key aspect of Canatu's strategy in the semiconductor industry is its business model that generates recurring revenue. Debris filters need to be replaced by customers at regular intervals, creating a steady and recurring revenue stream. Even in EUV pellicle business, where Canatu is currently selling CNT reactors as a one-time purchase, Canatu still receives recurring revenue through royalty payments from technology licensing and through sales of CNT consumables. In Canatu's view, this aspect of the business model supports sustained demand and fosters long-term relationships with customers, which Canatu expects to provide a good foundation for its future growth.

Canatu views that the semiconductor industry is the cornerstone of its current operations and expects it to provide most of its future growth in short and mid-term. Canatu aims to continue product development and investments in this industry to maintain its competitive edge and meet the changing needs of its customers.

Automotive strategy

In 2023, the automotive industry contributed approximately 18 per cent (EUR 2,445 thousand) of Canatu's net turnover, highlighting its significant role in Canatu's business currently. Canatu has a clear vision for the future growth in the automotive industry, driven by its ongoing transformation towards partly or fully autonomous vehicles. This vision involves leveraging Canatu's CNT technology to develop and sell film heaters for LiDAR and other advanced driver-assistance systems (ADAS) to leading car manufacturers.

The expected transition to autonomous vehicles creates a growing demand for advanced sensor technologies, which are critical for vehicle safety and functionality. Canatu's film heaters for LiDAR and camera systems are designed to ensure these sensors operate reliably in various weather conditions, thereby enhancing the performance and safety of autonomous vehicles. In Canatu's view, one of the reasons why OEMs prefer Canatu's products is their feature of high thermal conductivity and high transmittance at visible light and LiDAR wavelengths, which is enabled by Canatu's CNT technology. By positioning itself as a key supplier of these essential components, Canatu aims to significantly grow through this focus industry.

Canatu closely collaborates with major OEMs to find solutions to complex problems. As of today, Canatu continues to develop film heaters for ADAS and expects to ramp up mass manufacturing of its first ADAS camera de-icing systems in 2024.

Beyond sensor heaters, Canatu is also looking into investing in the development of full window heaters and exploring the potential for integrating carbon nanotube technology into solar panels. These innovations are aimed at providing comprehensive solutions that meet the diverse needs of modern vehicles. Canatu's commitment to ongoing research and development in these areas underscores its strategy to drive growth and build a competitive edge in the automotive industry.

Canatu views that strategic focus on high-potential applications within the automotive industry supports its ability to develop a profitable business and benefit from trends related to autonomy and sustainability in the automotive industry. With its forward-looking approach, Canatu aims to remain at the forefront of automotive technology advancements, paving the way for sustained growth and increased market penetration.

Medical diagnostics strategy

Currently, Canatu's business in the medical diagnostics industry is in its emerging stage. However, Canatu envisions this industry as a potential future growth driver, which has the potential to develop to one of the focus industries alongside the semiconductor and automotive industries. Canatu's strategy for the medical diagnostics industry is built on its potential to build customer relationships with Tier 1 healthcare companies.

Canatu's current vision for its medical diagnostic products is based on their sensitivity in sample testing. This sensitivity, measured on a signal-to-noise ratio basis, is critical for reliable diagnostics and, in Canatu's view, presents a strong value proposition to potential healthcare clients.

At present, Canatu's medical diagnostic products are suitable for, for example, measuring paracetamol levels. However, Canatu sees future potential for these products in detecting lung cancer, breast cancer, testosterone levels, and other critical health markers. Canatu expects the accuracy and reliability of its diagnostic solutions to be particularly valuable in these applications, providing high-quality data that can enhance patient care and treatment outcomes. Canatu estimates that its products will enter the market in the medical diagnostics industry within 1 to 5 years, depending on application.

Investment strategy

To accelerate value creation following the Transaction, Canatu has made a preliminary investment plan, covering all three current focus industries. According to the plan, all investments in the focus industries must fulfil the same three criteria which Canatu has deemed important: limited technology risk, high ROIC potential and existing customer demand.

In the semiconductor industry, Canatu plans to possibly invest in developing its reactor technology and enhancing the automation of mass manufacturing. In addition, Canatu plans to explore the possibilities of increasing its manufacturing capacity and diversify its product offering in the semiconductor industry. To increase its manufacturing capacity, Canatu may establish a second production facility. The planned preliminary investment amount in the semiconductor industry is in total approximately EUR 20–25 million, and the investment period is 2025–2026. In the automotive industry, Canatu preliminarily plans to invest in developing its reactor technology and enhancing the automation of mass manufacturing with a total of approximately EUR 10–15 million during 2025–2027. In the medical diagnostics industry, Canatu preliminarily plans to invest in talent acquisition and seeking regulatory approvals. According to the preliminary plan, Canatu could invest in the medical diagnostics a total of approximately EUR 5–10 million, but the investment period depends on the development of Canatu's products in the industry.

Business Operations

Canatu's offering consists of CNT membranes for, among other things, debris and optical nanofilters in the semiconductor industry; film, LiDAR and camera heaters as well as touch sensors in the automotive industry; and electrochemical biosensor solutions used in medical diagnostics. All applications utilise the CNTs developed and manufactured by Canatu. In addition, Canatu manufactures and sells reactors with which the customers can produce CNT membranes for EUV pellicles themselves. Canatu's sales and strategic business development operations, such as marketing and development cooperation with customers, are mainly focused on its main geographical market areas, North America, Asia and Europe.

Canatu's business operations are mainly focused on semiconductor and automotive industries. Canatu also provides solutions related to medical diagnostics. In the financial year ended 31 December 2023, EUR 11,146 thousand (82 per cent) of Canatu's net turnover came from customers in the semiconductor industry, while EUR 2,445 thousand (18 per cent) was generated by those in the automotive industry.

Canatu's Carbon Nanotubes and Technology

Carbon nanotubes (CNTs) are essentially rolled-up tubes of graphene which are up to several nanometres wide. They can be either single-walled, double-walled, or multi-walled structures, with trade-offs in size, durability, pliancy, and functionality.

CNTs offer an exceptional combination of optical, electrical, thermal, mechanical, and chemical properties. In Canatu's view, CNTs have a thousand times better electrical conductivity than copper, are 25 times stronger than steel, yet half as dense as aluminium. In addition, according to the view of Canatu's management consisting of experts, CNTs have twice the heat conductivity of diamond, have high electrical and thermal conductivity and are thermally stable up to 1,500 degrees Celsius.

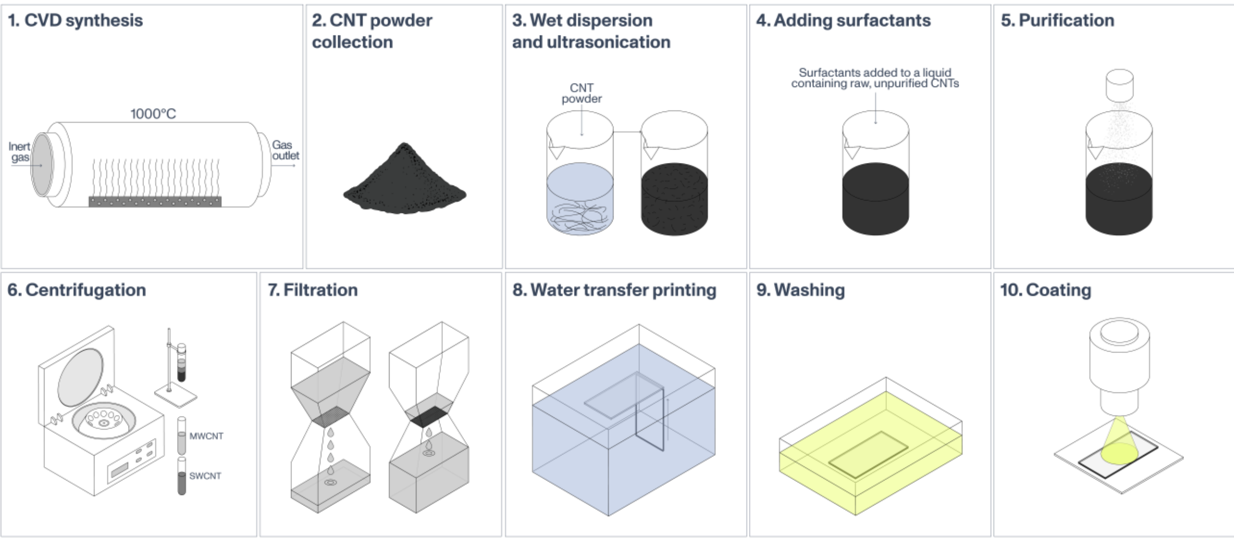
Canatu uses patented floating catalyst chemical vapor deposition (FC-CVD) reactors and a specific Dry Deposition methodology to manufacture CNTs, which yields high-purity and strong carbon nanotubes.

During FC-CVD, CNT growth is initiated by introducing carbon gases into the reactor. The furnace is then heated to vaporize and decompose the carbon gases, leading to catalyst particles forming at the top of the reactor. These particles float down the reactor with a carrier gas toward the collection filter. As they drift down the reactor, CNTs start to grow on the catalyst particles. CNTs are dry deposited onto the collection filter under atmospheric conditions. Subsequently, CNTs are transferred from the collection filter onto either a plastic substrate, creating a conductive film, or a frame, creating a CNT membrane. The membrane or film properties can further be enhanced in post-treatment (e.g., coating).

Canatu CNT film and membrane products are used in various semiconductor manufacturing processes, automotive applications, and medical diagnostic applications. For further information, see section "– *Canatu's products*" below.

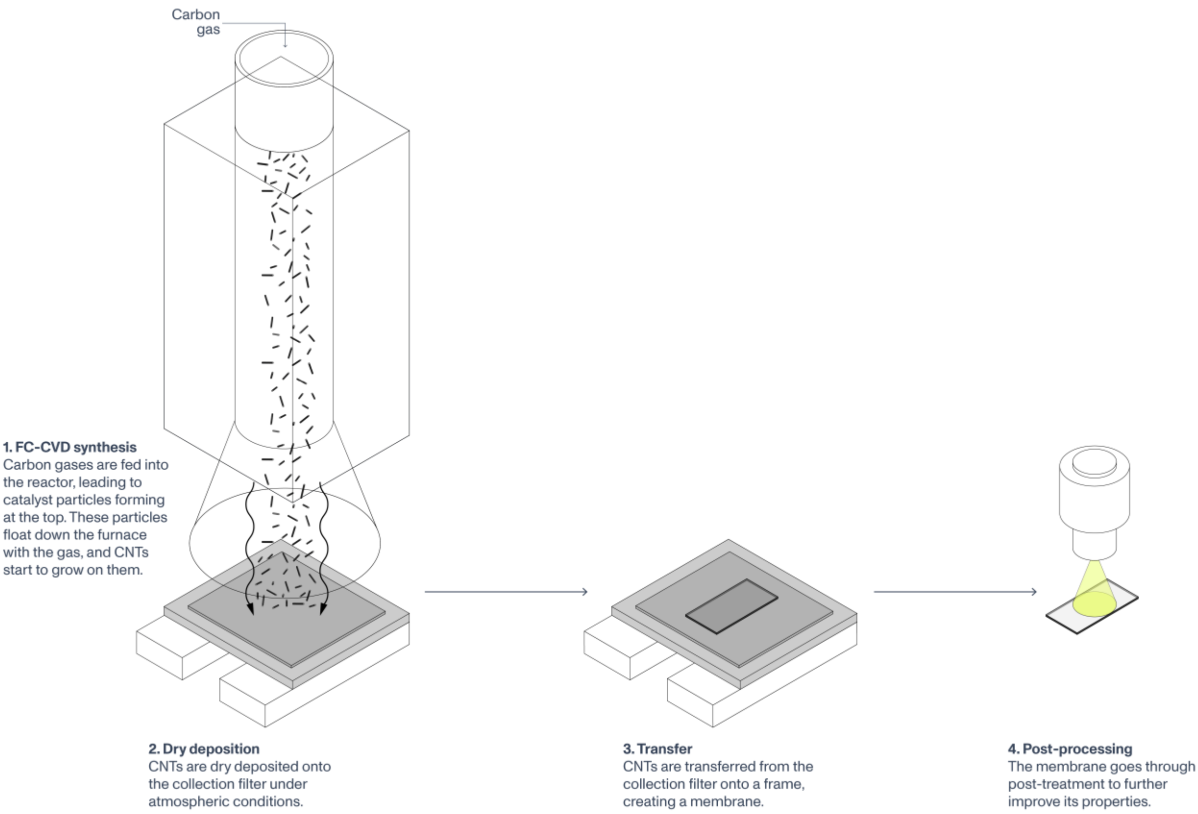
Canatu has control over CNT production, from CNT-material to patented processes and proprietary reactors. Canatu's offering begins with the patented carbon nanomaterial, Canatu CNT, which offers special properties compared to alternatives. The foundation of the carbon nanotube production is Canatu's patented Dry Deposition™ process, which, in Canatu's view, outperforms traditional wet dispersion method by simplifying the process, yielding longer and cleaner CNTs, and uniform CNT networks, possibly resulting in better performance in end applications.

The following graph illustrates the wet dispersion method:



Lastly, Canatu's patented and self-developed CNT reactors and manufacturing equipment are designed and engineered to precise specifications and resulting in high-quality Canatu CNT.

The following chart illustrates Canatu's CNT membrane production process:



Canatu's Products

Canatu operates through two business models. First, it conducts in-house development, manufacturing, and selling of CNT membranes and CNT-based film heaters to end customers. Second, it licences its technology and sells reactors so customers can make CNT products themselves under limited licenses, generating a continuous revenue stream for Canatu through royalties from products made and the consumables needed to run the reactors.

Canatu manufactures CNT membranes that can be used in EUV pellicles and as debris filters and optical filters for the semiconductor industry. For the automotive industry, Canatu develops CNT-based LiDAR and camera heaters to keep vehicles' critical sensors clear of moisture condensation (fog), snow and ice, as well as 3D touch sensors used in automotive interiors, which are estimated to be of lesser importance compared to film heaters in Canatu's product portfolio. Additionally, Canatu develops electrochemical biosensor solutions for medical diagnostics. In addition, Canatu manufactures and sells CNT reactors for the production of CNT membranes for EUV pellicles. Canatu's scalable technology platforms provide a solid core for applying Canatu CNT for various industries.

In addition to developing and manufacturing CNT-based products for semiconductor, automotive and medical diagnostics industries, Canatu develops, manufactures, and licenses custom CNT reactors for producing CNT-based products, such as CNT membranes for EUV pellicles.

Canatu's reactor product lineup includes two types of reactors: S-100 Semiconductor reactors customized to produce CNTs for high-precision CNT membrane products, and H-100 High-performance reactors designed for high-volume CNT film production (typically used for film heaters).

Currently, the reactors ordered by Canatu's customers are not in production use. The first CNT reactor sales were agreed on in 2023 and they are to be delivered in 2024. As at the date of this Company Description, Canatu's CNT reactors have only been used in its own production facility.

Canatu has not established a specific reactor unit and, therefore, reactor sales are subject to Canatu's various business areas. So far, reactors delivered by Canatu have only been sold for the semiconductor industry, but in the future it is possible that reactor business is separated into its own unit and reactors can be delivered to customers irrespective of the industry. According to Canatu's current view, reactor deliveries would be most likely in the windshield heater applications due to their large surface volume. Instead, in the medical diagnostics industry Canatu considers the reactor-based model to be less likely, due to the benefits Canatu gains from manufacturing CNT-based biosensor solutions itself due to their small surface area requirement and the added value gained from Canatu's proprietary click chemistry.

Products in the semiconductor industry

Semiconductors are needed in every electronic device. Progress in the semiconductor industry continues fast, driven by Moore's Law[37] aimed at doubling the transistor density on a wafer every two years. Higher transistor density will lead to more efficient processors and chips for the benefit of users of electronic devices. To keep up with the pace of development, the industry has developed extreme ultraviolet lithography (EUV) technology. Canatu's CNT technology has the potential to play a key role in advancing the EUV process required for producing advanced microchips. Canatu's product portfolio includes CNT membranes that may be used in EUV pellicles and as debris filters and optical filters used in EUV and X-ray filter applications. In addition, Canatu manufactures and sells CNT reactors for the production of CNT membranes for EUV pellicles.

CNT membranes

Canatu's CNT membranes offer a versatile platform technology for EUV pellicle, debris filter and optical filter applications. Canatu's CNT membranes are highly thin and strong, and can be tailored to customers' exact needs. They can be used in high-power EUV lithography applications, including in EUV pellicles, as debris filters in EUV mask inspection and as optical filters. Canatu's CNT membranes feature high EUV/X-Ray transmittance (>97%T), high mechanical strength, and excellent thermal resistance (>1,500°C), which makes them suitable for extreme environments.

Debris filters

Canatu's debris filters are used in various applications, including, but not limited to, EUV mask inspection before and after the lithography process. They stop particles from the EUV light source before it hits the extremely sensitive and expensive optics or masks, promoting high-quality, defect-free processes. Canatu's debris filters offer high heat resistivity and EUV light transmission. Canatu has mass-produced debris filters since 2021.

Optical filters

Canatu's CNT membranes are well suited for optical filter applications due to their high EUV and X-Ray transmittance, resistance to pressure differentials, and chemical inertness. These optical filters allow certain wavelengths of light (such as X-rays or EUV) to pass through while blocking others (such as visible, infrared, or deep ultraviolet). They can be used in EUV lithography to filter specific wavelengths or in front of X-Ray detectors to block unwanted particles, electrons, and photons that fall outside the desired energy range, while providing high X-Ray transmittance and enduring high temperatures and differential pressure conditions. Canatu's optical filters can support many different EUV and X-Ray applications, including EUV mask inspection, X-Ray astronomy, microscopy and e-beam filtration. Since 2020, Canatu has partnered with the European Space Agency (ESA) to develop an X-Ray filter for the ATHENA telescope, allowing precise celestial imaging by enabling X-Rays to pass through while blocking other wavelengths. Canatu has developed optical filters with its customers for a long time, but at the date of this Company Description, optical filters are not in mass manufacturing.

EUV pellicles

EUV pellicles are particle filters that are used in EUV lithography process to protect the photomask from contamination while permitting high EUV light transmission. EUV pellicles made of Canatu's CNT offer up to 7–15 per cent higher transmission compared to traditional composite EUV pellicles, enabling higher throughput

[37] Moore's Law is the observation that the number of transistors in an integrated circuit (IC) doubles approximately every two years.

(wafers processed per hour)[38]. Since 2017, Canatu has collaborated with, among others, IMEC, a world-leading research and innovation hub in nanoelectronics and digital technologies, to develop CNT-based EUV pellicles. However, actual ready-made EUV pellicles, which include framing and specialty coating, are currently not available from Canatu.

<u>Products in the automotive industry</u>

The automotive industry is continuously searching for new ways to improve its products. There are several forerunner companies developing their unique way of creating better vehicles to transform driving. Increasing the autonomy of cars and enhancing the autonomous driving experience, especially in terms of safety, comfort and greater self-driving capacity, are key trends in the automotive industry. Autonomous vehicles with Advanced Driver Assistance Systems (ADAS) aim to reduce accidents, create new functionalities, and improve the safety of transportation. Canatu aims to offer customers in the automotive industry solutions to improve the reliability of effective ADAS in different weather conditions. Canatu has developed CNT-based film heater solutions for ADAS, which, according to Canatu's management, provide high optical and heating performance compared with competing solutions. Additionally, Canatu's product line-up includes 3D touch sensors for automotive interiors, the significance of which in Canatu's product selection is estimated to be smaller than that of film heaters in the future.

Film heaters

Canatu film heaters are used for LiDAR and camera sensor de-icing and de-fogging, with a target of enabling autonomous driving in different weathers. In harsh weather, sensors may get covered with ice, fog, and snow, risking reliable ADAS sensor reliability. The Canatu film heater keeps the optically critical surfaces of sensors clear, offering excellent optical performance. They provide fast, uniform, and energy-efficient heating across the field of view, eliminating common issues associated with traditional metallic heating wires, such as thermal gradients, reflections, hotspots, and picture distortion. Canatu's film heaters have passed automotive industry standard 85°C/85% 2000 hrs reliability tests. Usually, 2000-hour tests at 85 degrees Celsius and 85 percent relative humidity are used to predict up to 25 years of operation.

Canatu film heaters for LiDAR

LiDAR heaters based on the Canatu CNT technology are designed to ensure reliable LiDAR performance in different weathers. Canatu film heaters provide efficient de-icing and de-fogging of the LiDAR lens supporting autonomous driving in harsh weather. The Canatu LiDAR heater offers high transmittance at near-infrared light combined with high heating performance and processing ability. Canatu LiDAR heaters provide fast, even, power-efficient heating across the entire surface without optical distortion and thermal gradient. The solution is compatible with 905-1550 nanometre LiDAR systems. Canatu and world's leading manufacturer of polymer materials and components Covestro AG showcased a joint injection moulded LiDAR heater demonstrator at Consumer Electronics Show (CES) 2023.

Film heaters for ADAS cameras

Canatu film heaters provide high transmittance and even heating across the field of view, allowing ADAS cameras to accurately detect surrounding objects in different weathers. Canatu ADAS camera heaters are wire-free, leading to less obstruction in the camera's field of view. Due to its low-haze, low-distortion and colour neutrality, camera image quality is hardly impacted by the presence of the heater, effectively preserving image sharpness. According to the knowledge of Canatu's management, Canatu film heaters consume 40 per cent less power compared to traditional wire heaters. In 2021, Canatu signed a major joint development agreement with leading mobility supplier, DENSO Corporation, to develop high-performance reactors used in CNT film production.

3D touch sensors

Canatu's 3D touch sensors provide an intuitive user interface via touch controls that can be seamlessly integrated to various applications in any shape (such as grooved sliders and convex-shaped control buttons), on most surfaces (such as displays, plastic, glass, leather or textiles). In automotive interior applications, Canatu's touch sensors are able to effectively replace multiple mechanical controls in different cockpit locations

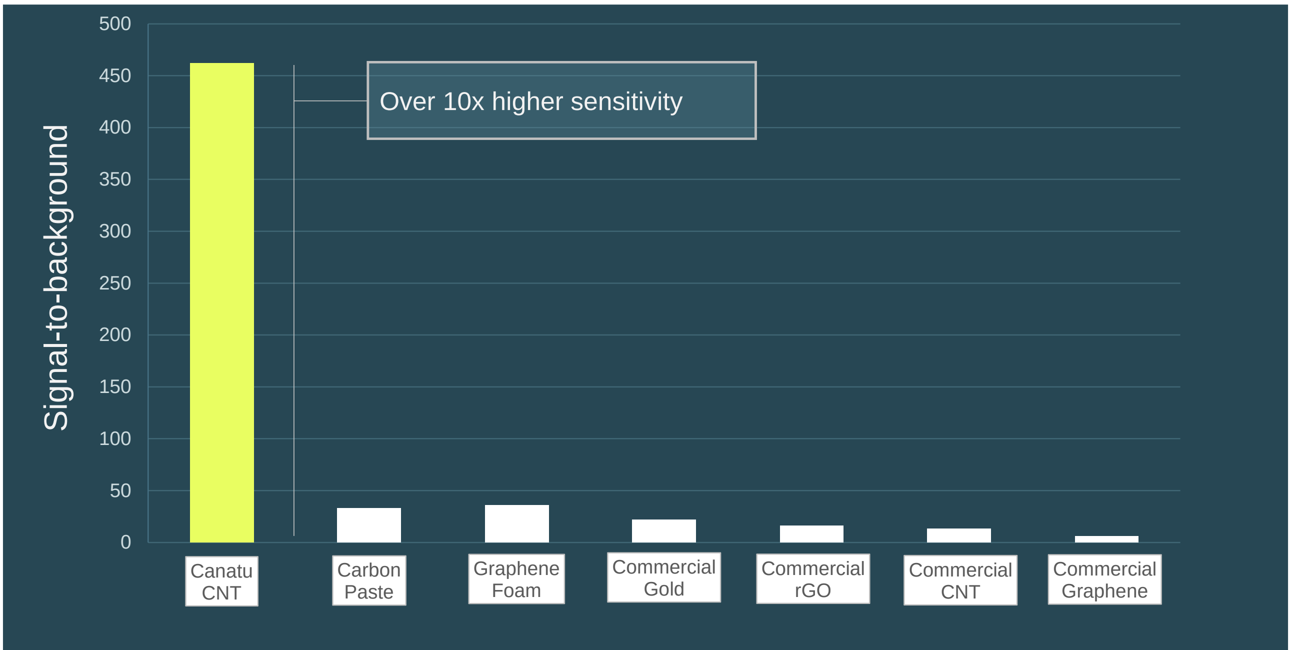
[38] Canatu's management's view based on the Market Study.

enabling design freedom and intuitive user experience. The Origo Steering Wheel, which is based on Canatu's touch sensors, won the German Design Awards in 2021 and was named a CES 2022 Innovation Awards Honoree. However, the significance of 3D touch sensors in Canatu's product portfolio is estimated to be smaller than that of film heaters in the future.

Medical diagnostics

Canatu sees great potential in utilizing CNT in the field of medical diagnosis. Canatu's CNTs can be used in electrochemical biosensor solutions, providing, in Canatu's view, over ten times higher sensitivity in in vitro matrices, compared to traditional materials. According to Canatu's management, Canatu CNTs offers high-level sensitivity outside a lab, which possibly provides significant opportunities for POC testing, a trend in the industry.

The following graph presents the potential sensitivity of Canatu's CNT's compared to other materials according to Canatu's own study:



Source: Canatu's own study, with relatively low number of samples. The study is not peer reviewed, and therefore it is not as reliable as a peer reviewed scientific study. The results of the study are indicative only.

Canatu has collaborated with leading Finnish universities and Helsinki University Hospital to develop electrode strips for POC testing of painkiller concentrations. In this partnership, test strips capable of quantitatively detecting painkillers, including paracetamol and opioids, have been created. These test strips have been demonstrated in three early clinical studies, including the clinical validation of a test strip designed to measure paracetamol (acetaminophen) concentrations from small finger-prick blood samples.

At the date of this Company Description, Canatu has no medical diagnostic products in mass manufacturing but it expects that the industry may become highly important for Canatu in the medium to long term.

Revenue Model

Canatu operates through two business models. First, it conducts in-house development, manufacturing, and selling of CNT membranes and CNT-based film heaters to end customers. Second, it licences its technology and sells reactors so customers can make CNT products themselves under limited licenses, generating a continuous revenue stream for Canatu through royalties from products made and the consumables needed to run the reactors.

Customers, Sales and Marketing

Canatu utilises multiple digital and in-person marketing and communications strategies to build brand awareness and generate leads. These include but are not limited to, strategic communications (media pitching and meetings, announcements, bylines), Search Engine Optimization (SEO), digital advertising on Google and social media, content marketing, co-marketing and events. The number of leads has grown for four years in a row. As at the date of this Company Description, Canatu has dozens of leads and projects under initial discussion or quoting phases.

Canatu aims to build awareness online and to drive web traffic to landing pages with gated content to capture leads through web forms (asset download, contact, request a meeting) or at events. Leads are first qualified (or archived) by the marketing department and then assigned to the sales department. The sales department contacts the prospect to set up an introductory meeting. Once the first meeting is set, the lead moves to the initial discussion phase. During this meeting, application, technical requirements and mass production volumes are discussed at a high level.

After non-disclosure agreements are signed, Canatu may provide standard samples and a technical proposal to the customer. If interests align, the customer typically requests a quotation for custom proof-of-concept samples to verify technology readiness for the application. If successful, the project moves into the mass development phase to further develop the solution, which may take a few years, depending on the application. The final target is that the customer enters into a mass-manufacturing agreement with Canatu.

The semiconductor industry is highly concentrated, and the largest companies in the industry are located in Asia, such as Samsung Electronics Co. Ltd (South Korea), Taiwan Semiconductor Manufacturing Company Limited (TSMC) (Taiwan), Lasertec Corporation (Japan), Mitsui Chemicals, Inc. (Japan), and SK hynix Inc. (South Korea), and in the United States, such as Intel Corporation, KLA Corporation, Applied Materials, Inc. and Micron Technology, Inc. (illustrative list of potential customers, and not a representation of Canatu's current customers). Canatu has sales offices in the key countries including Japan, Taiwan and the USA.

Within the automotive industry, there are several potential customer groups for CNT applications. Canatu's products in the automotive industry relate to ADAS (Advanced Driver Assistance Systems) applications, hence potential customers include leading German OEMs and Tier 1 integrators, such as AB Volvo, Aeva Technologies Inc., Robert Bosch GmbH, Continental AG, Webasto SE, RoboSense Technology Co Ltd, Innovitz Technologies Ltd, Tesla, Inc., Rivian Automotive, Inc., DENSO Corporation (ADAS) and Luminar Technologies Inc. (LiDAR) (illustrative list of potential customers, and not a representation of Canatu's current customers). Canatu's automotive products are part of the end product (e.g., the LiDAR sensor or ADAS camera attached to a car). Therefore, Canatu is reliant on contracts with original equipment manufacturers (OEMs) and/or automotive Tier 1 technology integrators.

Canatu's customer base in the semiconductor and automotive industries is comprised of forerunner companies in each industry. In the semiconductor industry, Canatu's customers include semiconductor foundries, designers and manufacturers of semiconductor manufacturing equipment and pellicle manufacturers. In the automotive industry, Canatu's customers include leading automotive OEMs and Tier 1 automotive technology companies. Canatu's automotive products are part of the end product (e.g., the LiDAR sensor or ADAS camera attached to a car). Therefore, Canatu is reliant on contracts with original equipment manufacturers (OEMs) and/or automotive Tier 1 technology integrators. In the medical diagnostics industry, Canatu does not yet have customers.

As at the date of this Company Description, Canatu has slightly fewer than ten mass-manufacturing customers and tens of customers in the mass development phase. Customers that purchase reactors from Canatu are classed as mass-manufacturing customers. In 2023, Canatu's largest customer accounted for approximately 44 per cent, its two largest customers for approximately 74 per cent and five largest customers for approximately 90 per cent of Canatu's net turnover.

Manufacturing and Logistics

Canatu has its own production facility in Vantaa, Finland, where it has been mass manufacturing products for the automotive industry since 2015 and products for the semiconductor industry since 2021. Currently, a total of ten Canatu products are in mass manufacturing, including 3D touch sensors, CNT membranes and CNT reactors. Canatu commenced a two-year EUR 10 million investment project designed to increase the production capacity at its Vantaa facility in 2023, and the project is still ongoing. The investment covers a new cleanroom, which is designed to pass the strictest standards in the semiconductor industry (ISO3), and a new automation production line for CNT films, which has significantly increased the throughput and shortened pass-through time (which means that the production line produces CNT films faster than Canatu's previous production line).

The Vantaa production facility has four production lines: a fully automated production line for automotive and medical diagnostic products, a semi-automated production line for semiconductor products, a sensor prototype manufacturing line and a reactor assembly line.

Except for the sensor prototype manufacturing line, the production lines, from the design of the reactor to the dry deposition of CNT, have been developed by Canatu, and provides a significant competitive advantage, according to the management of Canatu. The Dry Deposition™ process consists of fewer process steps compared to wet dispersion and is highly scalable.

Canatu has partnered with DENSO Corporation, and jointly developed a high-performance reactor H-100 for mass manufacturing of conductive films. The new reactor became operational in April 2024, and it has significantly increased the throughput Canatu CNT films.

Canatu's key contract manufacturing suppliers include Young Fast Optoelectronics Co. Ltd and Hosiden Corporation, among others, and key material suppliers include Linde plc, Woikoski Oy and Covestro AG, among others.

Research and Development (R&D)

Canatu's core research focuses on the continuous improvement and development of CNT synthesis. It has a separate manufacturing equipment team to develop reactor products. Additionally, application development takes place in the business units. Application development is focused on CNT membranes, conductive films, electrochemical sensors, and CNT reactors. About half of Canatu's employees work in the above-mentioned research and development functions, and Canatu has over 20 employees with PhDs in the team.

Canatu's strong R&D focus is highlighted by the fact that Canatu has 130 patents and over 50 patents pending across 38 distinct families.

Sustainability and Corporate Responsibility

Canatu is committed to advancing the overall sustainability of its business. ESG is part of the scaling journey of Canatu now, and in the future. Canatu has set four key goals designed to enhance the sustainability of its CNT manufacturing. Canatu aimed to decrease the electrical consumption of each production unit to one fifth, and this goal was reached by the end of 2023. In addition, Canatu aims to achieve carbon neutral own operations by 2035. Canatu also aims to reduce CO2-equivalent air emissions to a fifth per production unit by the end of 2025. In addition to these, Canatu aims to achieve substantial reduction in carbon dioxide emissions from process exhaust by the end of 2026. Canatu has already taken significant steps towards achieving these goals – Canatu's production facility in Vantaa, Finland, is 100 per cent powered with renewable energy, and Canatu has reduced its carbon dioxide emissions per production unit by 58 per cent in 2021–2022.

In 2022, Canatu received a gold sustainability rating from EcoVadis (a globally recognised assessment platform that rates businesses' sustainability), which ranked Canatu in the top three per cent of all assessed companies worldwide. In addition, Canatu is a member of the UN Global Compact and committed to the UN sustainable development goals (SDGs).

Canatu has adopted and complies with an Anti-Bribery and Corruption Policy, Human Rights Policy and Environmental Policy as well as Code of Ethics and Professional Conduct Policy.

Intellectual Property

Intellectual property rights are essential to Canatu's business. Correspondingly, Canatu has extensive patent and trademark protection in place, protecting the key technologies. The key technologies are related to the CNT synthesis and deposition as well as the material characteristics (e.g. modifications). Canatu also has patents related to manufacturing equipment and applications. In total, Canatu has 130 patents and over 50 patents pending across 38 distinct patent families at the date of this Company Description. In addition, a portion of Canatu's intellectual property rights is protected as trade secrets.

Trademarks are also important for Canatu. Trademark protection is largely focused on the "CANATU", and "NANOBUD" word elements in classes 1, 9, 10, 11, 19, 40 and 42 and concerns certain other individual trademark regimes in addition to the EU (China, India, Japan, Korea, UK and US).

Information Technology

Canatu uses various external information technology systems and providers both for solely internal purposes but also to provide services to its customers. Canatu and its operations are not dependent on its information technology suppliers if the need ever arose to change the suppliers.

Organisation and Personnel

Group Legal Structure

As at the date of this Company Description, Canatu has one wholly owned subsidiary: Canatu USA incorporated and existing in the United States.

Employees

As at the date of this Company Description, Canatu employed 127 permanent employees, including the CEO of Canatu. The average number of employees, including the CEO, during the financial years ended 31 December 2023, 2022 and 2021 is set forth in the below table.

Period	Average number of employees during financial year
Financial year ended 31 December 2023	93
Financial year ended 31 December 2022	65
Financial year ended 31 December 2021	52

Real Estate and Leases

Canatu does not own any property or premises. Canatu operates in leased premises and has entered into lease agreements regarding office, storage and manufacturing premises in its production facility located in Vantaa, Finland.

One of the lease agreements concerns office space, storage and distribution substation. The lease agreement is valid until 31 December 2026 and the aggregate monthly rent is EUR 38,916 (excluding VAT). The rent security deposit for the lease agreement corresponds to four months' rent. The other lease agreement concerns office space and is valid until 31 December 2024 with the aggregate monthly rent being EUR 6,530 (excluding VAT). The rent security deposit for the lease agreement corresponds to three months' rent.

Excluding the need to renew the lease agreement expiring at the end of 2024, Canatu has confirmed that there are no contemplated investment needs relating to the premises and that there are no plans to terminate any of the lease agreements within the next 12 months.

Material Agreements

Transaction Agreement

Lifeline SPAC I and Canatu announced on 5 July 2024 that they had signed the Transaction Agreement to combine the two companies through an exchange of shares. For further information, see section "*The Transaction and the Transaction Agreement*".

Financing Arrangements

Financing arrangements between Canatu and its financiers are discussed in more detail in section "*– Operating and Financial Review – Liquidity and Capital Resources – Liquidity*" below.

Litigation, Arbitration Proceedings and Administrative Proceedings

As at the date of this Company Description, Canatu is not, and has not been within the past 12 months, party to any material administrative, legal, or arbitration proceeding that may have or have had a significant effect on the financial position or profitability of Canatu, and Canatu is not aware of any such proceedings being pending or threatened.

Insurances

Canatu maintains insurance against various risks related to its business. The insurance coverage for Canatu includes, among other things, general and products liability including recall, dismantling and reinstallation, property insurance, interruption insurance, liability insurance, and personal insurance. Canatu's insurance agreements include limitations on compensation and deductibles. In the opinion of Canatu's management team, the scope of Canatu's insurance policies is in accordance with the sector's practices and they cover risks against which insurance can be considered appropriate for Canatu's needs and business circumstances. General restrictions apply to the insurances, due to which they may not necessarily cover all damage incurred.

Related Party Transactions

Parties are considered to be related parties if one party is able to exert control or significant leverage over the other party or joint control over the other party in making financial and business decisions. Canatu's related parties include Canatu's subsidiary Canatu USA, Canatu's members of the Board of Directors, the CEO, other members of the management team and their closely related family members and any entities under the control of same.

Canatu has not had related party transactions during the financial years ended 31 December 2021, 31 December 2022 and 31 December 2023 and during the period after the financial year ended 31 December 2023.

The members of the Board of Directors and the management team and the CEO and remuneration paid to them have been described in section "– *Administration, Management and Auditors – Management Remuneration and Incentive and Pension Schemes*" below.

Regulatory Environment

Canatu must comply with laws and regulations enacted on both the national and EU level concerning its operations in relation to matters including health, safety and marketing, general product safety, environment, employment, competition, company law, data protection, international trade and taxation in all of the countries in which Canatu operates.

Operating and Financial Review

The following review of Canatu's results of operations and financial position should be read together with section "Selected Financial Information of Canatu" and Canatu's audited financial statements for the financial years ended 31 December 2023, 31 December 2022 and 31 December 2021 prepared in accordance with Finnish Accounting Standards and attached to this Company Presentation as Appendix C.

This review includes forward-looking statements which involve risks and uncertainties. The actual results of operations of Canatu may differ materially from those expressed in such forward-looking statements as a result of factors discussed below and elsewhere in this Company Description, particularly in sections "Risk Factors" and "Certain Matters – Forward-Looking Statements".

Overview

Canatu develops advanced CNT-based materials and CNT reactors for products that transform industries. Canatu's development work for carbon nanotube technology, Canatu CNT, has created an advanced Dry Deposition™ process that aims to ensure the required versatility and reliability of CNT material for advanced engineered solutions. Canatu partners with forerunner companies to transform the product offering with nano carbon. Canatu's focus is on the semiconductor industry, the automotive industry and medical diagnostics, with its portfolio covering, among others, CNT membranes used in EUV lithography and film heaters for ADAS.

For further information on Canatu's business, see section "– *Business of Canatu*".

Operating Environment and Trends

In 2023, the semiconductor business emerged as an integral component of Canatu's net turnover stream, representing 82 per cent (EUR 11,146 thousand) of sales net turnover with a 99 per cent year-over-year growth. The continued mass manufacturing of consumable debris filters for EUV lithography provided consistent net turnover in 2023, and momentum was further fuelled by a significant CNT manufacturing equipment deal. During 2023, Canatu recruited new talent to the organisation, and the average number of employees increased from 65 to 93.

Forecast for 2024

This section "Forecast for 2024" contains forward-looking statements. Forward-looking statements do not guarantee future development, and the actual market development of Canatu, the financial performance of Canatu or the financial results actually achieved may materially differ from what has been presented in or what can be concluded from the forward-looking statements as a result of many factors, some of which are described in the sections "Certain Matters – Forward-looking Statements" and "Risk Factors". Canatu advises to take a cautious view on these forward-looking statements, which are valid only as at the date of this Company Description. The following discussion has been prepared on a basis which is (i) comparable with Canatu's historical financial information and (ii) consistent with Canatu's accounting policies.

As a separate company, Canatu's net turnover for the 2024 financial year is estimated to be between EUR 20 million and EUR 25 million. The Combined Company's revenue for the 2024 financial year will include Canatu's net turnover from the date of the completion of the Transaction.

Basis of the Financial Outlook and Factors of Uncertainty Affecting It

The net turnover outlook for the year 2024 is based on (i) Canatu's net turnover in H1/2024 as reported in the unaudited monthly management reports, which was EUR 11.1 million, which is based on orders delivered and partially allocated during H1/2024, and (ii) Canatu's current order book.

Canatu expects the relative contribution to the forecasted net turnover by semiconductor to be very large, by automotive limited and by medical diagnostics non-material. The total capital expenditure in 2024 is expected to amount to EUR 5–6 million, excluding any potential impact from potential changes in the practice regarding the activation of R&D-related personnel expenses.

Key Factors Affecting the Results of Operations

Since Canatu began its current operations, it has incurred losses. Canatu's losses were EUR 1,318 thousand, EUR 2,974 thousand and EUR 3,930 thousand for the financial years ended 31 December 2023, 2022 and 2021, respectively.

During the periods reviewed in the following discussion and analysis, the following internal and external factors, some of which are beyond Canatu's control, have affected, and may continue to affect, Canatu's results of operations. However, Canatu's past performance may not be indicative of its future results of operations, and risks and uncertainties discussed in section "*Risk Factors*" should be considered.

Demand for Canatu's products

During the periods under review, Canatu's net turnover growth has mainly come from increased sales of products, particularly in the semiconductor industry. In 2023, EUR 11,146 thousand (82 per cent) of Canatu's net turnover came from the semiconductor industry. Canatu's products in the semiconductor industry are CNT reactors and peripherals as well as CNT membranes for EUV pellicles, debris filters, and optical filters.

The results of Canatu's operations largely depend on the demand for Canatu's products in the semiconductor industry, which is directly linked to the level of capital expenditures by semiconductor and chip manufacturers. In turn, such capital expenditures depend upon a range of competitive and market factors, including the overall state of the global economy, current and anticipated market demand for semiconductors and for products utilising semiconductors, semiconductor prices and production costs. The semiconductor industry has historically been cyclical, and the timing, duration and volatility of these cycles are difficult to predict.

Canatu's product portfolio includes CNT membranes that can be used in the manufacturing process of chips produced with EUV lithography technology. The demand for high-quality chips affects the demand for Canatu CNT membranes and, therefore, Canatu's results of operations. During the periods under review, the demand for high-quality chips has increased (for example, due to advancements in artificial intelligence), which has been reflected in the demand for EUV lithography systems and, consequently, Canatu CNT products.

During the periods under review, Canatu's net turnover has mainly come from consumables (such as debris filters) in the semiconductor industry. However, Canatu estimates that in the future, its net turnover will mainly be derived from CNT reactor sales, as a single reactor sale has a significant impact on Canatu's annual net turnover. For example, the first prepayment for a CNT reactor received by Canatu in 2023 significantly contributed to its annual net turnover. Canatu expects the first customer delivery of a CNT reactor to take place during 2024.

In 2023, 18 per cent (EUR 2,445 thousand) of Canatu's net turnover came from the automotive industry. During the periods under review, net turnover in the automotive industry has mainly come from sales of touch sensor products, with a smaller portion of net turnover coming from mass developments of ADAS and solar panel projects.

Customer contracts

Canatu's results of operations are, and are likely to remain in the near future, strongly driven by a limited number of customer contracts. Canatu's business model relies significantly on a concentrated group of customers and key partners, which are integral to its results of operations. Historically, a substantial portion of Canatu's net turnover has been generated from orders by a limited number of customers, and in 2023, Canatu's largest customer accounted for approximately 44 per cent, its two largest customers for approximately 74 per cent and its five largest customers for approximately 90 per cent of its net turnover. Therefore, maintaining existing relationships and establishing new ones is crucial for Canatu's results of operations.

Except for two reactor agreements, Canatu has relatively few long-term binding agreements on the sales of its products, because its sales are predominantly based on orders and order confirmations, which might be smaller in the future or might not be received at all. For example, Canatu does not have a written framework agreement with its largest customer and the customer relationship is only based on purchase orders that are in force until January 2025. An exception to the client relationships predominantly based on orders and order confirmations are the reactor agreements generating a turnover that impacts the 2024 financial period except for royalty payments and consumable payments. Typically, customer relationships are based on framework agreements that govern, among others, intellectual property rights and liability aspects. Since Canatu and its largest customer have not concluded any written framework agreement, they have not agreed upon, for example, intellectual property rights and liability aspects and the terms of the business relationship may be subject to change or termination without notice. For further information, see section "*Risk Factors – Risks Related to the Combined Company's Business – If the Combined Company cannot maintain its existing customers and partnerships, and/or enter into new partnerships or similar business arrangements, the Combined Company's business could be adversely affected and the customers are often also considerably larger than the Combined Company and therefore have a stronger negotiating position*".

Given that potential customers in the semiconductor industry are very large, each new customer contract has increased, and in the future may increase, Canatu's results of operations significantly. In the automotive industry, customer contracts relating single products tend to be very long (up to ten years), providing recurring revenue for Canatu. All customers that have entered into mass-manufacturing relationships with Canatu are still its customers at the date of this Company Description, which has positively affected Canatu's results of operations throughout the periods under review.

Gross margins

Canatu's operating results are, and will continue to be, strongly driven by net turnover. Canatu's gross margins have typically been high, and Canatu expects to maintain the current level of gross margins in the future, with the possibility of improving gross margins as economies of scale begin to play a larger role in manufacturing. This trend has already been visible from the start of mass manufacturing of inspection consumable products in 2021 and furthered by the establishment of an automated production line at Canatu's own production facility in Vantaa, Finland, in 2022.

Production capacity investments

Canatu has its own production facility in Vantaa, Finland, where it has been mass manufacturing automotive products since 2015 and semiconductor products since 2021. In 2023, Canatu began a two-year investment project that covers a new cleanroom, which is designed to pass the strictest standards in the semiconductor industry (ISO3), and a new automation production line for CNT films, which has significantly increased the throughput and shortened pass-through time (which means that the production line produces CNT films faster than Canatu's previous production line). The investments into production capacity and efficiency have affected Canatu's results of operations during the periods under review. However, Canatu estimates that the past investments into the efficiency of production will support Canatu's results of operations in the future, as mass manufacturing can be scaled without a significant increase in investments, especially in the semiconductor industry.

Grants

Canatu's other operating income consists mainly of grants for project costs received from Business Finland. Canatu's other operating income were EUR 2,855 thousand, EUR 1,196 thousand and EUR 547 thousand for the financial years ended 31 December 2023, 2022 and 2021, respectively. In 2023, EUR 1,700 thousand of a loan from Business Finland was converted into a grant. The grants have been given for research and development (for example, R&D of touch sensors, CNT membranes and currently medical diagnostic applications) and carry no repayment obligation for Canatu. Canatu estimates that the importance of grants was emphasised during the previous years, due to the early phase of some of Canatu's applications and will be emphasised in the near future regarding the medical diagnostic products, but the importance of grants relating to semiconductor products will decrease.

Research and development costs

Canatu has developed and continues to develop its products and technologies internally. During previous years, Canatu's main expense has been research and development. A significant number of Canatu's employees focus on research and development, and as such, staff expenses form the majority of R&D costs. Additionally, Canatu has incurred R&D expenses through external services. Materials and external services were EUR 3,530 thousand, EUR 2,358 thousand and EUR 1,745 thousand for the financial years ended 31 December 2023, 2022 and 2021, respectively. Canatu estimates that R&D costs will continue to significantly affect its operating results in the future.

Management and personnel

Canatu's success depends largely on the expertise of its management and personnel, and on Canatu's ability to commit its management and personnel. The availability and commitment of competent personnel are key factors for future growth. Canatu must be able to recruit new employees as needed, and at times at rapid pace, because Canatu is a growth company scaling its business. Canatu's business requires expertise relating to CNT and technology related to it. The global number of competent persons within its industries is limited. Canatu must maintain its position as an attractive employer, which is dependent on Canatu's brand, technology and financial position.

Staff expenses are a significant cost item for Canatu. Staff expenses were EUR 7,651 thousand, EUR 5,285 thousand and EUR 4,264 thousand for the financial years ended 31 December 2023, 2022 and 2021, respectively. In previous years, the majority of staff expenses were related to product development. However, Canatu has not activated research and development related staff expenses until and including 2023. Canatu estimates that staff expenses will continue to increase in the near and medium term, and further estimates that it will need to hire approximately 25 to 35 full-time employees per year until 2027.

Interest costs of financing

Canatu has historically financed its operations with cash flow from operations, equity offerings as well as loans. Canatu's interest expenses on loans from financial institutions and convertible bond amounted to EUR 644 thousand, EUR 403 thousand and EUR 275 thousand for the financial years ended 31 December 2023, 2022 and 2021, respectively.

Intellectual property

Canatu's business is largely dependent on intellectual property rights and Canatu's intellectual property assets include 130 patents and over 50 patents pending across 38 distinct families. Canatu uses patents, trade secrets, trademarks and technological development in its business operations and relies on patent, trademark, and other intellectual property rights protection, non-disclosure agreements and certain other agreements and laws to protect such intellectual property. Canatu's operating results are largely dependent on its ability to protect its intellectual property relating to the CNT technology. In addition, should Canatu infringe on a third party's intellectual property rights, it could negatively affect Canatu's operating results.

Development of industries in which Canatu operates

Canatu's results of operations depend materially on its focus industries developing in the direction of innovation. Canatu's products are used in advanced technological applications, such as EUV lithography of advanced chips, LiDAR and ADAS applications relating to autonomous vehicles and EVs, as well as point-of-care testing. Demand and adoption of Canatu's products on a larger scale depends on the aforementioned trends in the focus industries continuing to develop.

Trends and Events Following the Close of the Financial Year

Since 31 December 2023, there are no known trends, uncertainties, demands, commitments or events that could be reasonably likely to have a material effect on Canatu's prospects beyond what is stated in sections "*Risk Factors*" and "*Information on Canatu*". Canatu is not aware of any public, financial, tax, monetary or other political measures that, directly or indirectly, would have a significant impact on or that could materially affect Canatu's business.

Significant Changes in Results of Operations and Financial Position

According to Canatu's unaudited monthly management reports, Canatu's net turnover in H1/2024 was EUR 11.1 million which is based on orders delivered and partially allocated during H1/2024.

Canatu signed the Transaction Agreement with Lifeline SPAC I on 5 July 2024. For further information, see section "*The Transaction and the Transaction Agreement*".

Notwithstanding the above, in Canatu's view, there has been no significant change in its financial position or results of operations between 31 December 2023 and the date of this Company Description.

Results of Operations

Key profit and loss account items' explanations

The following is a summary of the key items in Canatu's profit and loss account.

Net turnover

Canatu's net turnover has consisted of revenues from sales of products and services to customers.

Other operating income

Other operating income consists of received grants.

Materials and external services

Materials and external services consist of purchases of materials and external services such as reactor parts and services related to manufacturing reactors as well as materials and services related to manufacturing touch sensors.

Staff expenses

Staff expenses consist of wages and salaries, social security expenses, pension expenses and other social security expenses.

Depreciation and reduction in value

Depreciation and reduction in value consists of depreciation of machinery and equipment and amortisation of previously activated research and development expenses related to machinery and external services.

Other operating expenses

Other operating expenses mainly consists of voluntary social security expenses, business premises expenses, IT hardware and software costs, other machinery and equipment costs, marketing expenses, research and development costs as well as other operating charges.

Operating profit (loss)

Operating profit (loss) is the net amount arising from adding other operating income to net turnover and subtracting from the subtotal cost of raw materials and services, staff expenses, depreciation and reduction in value losses as well as other operating expenses.

Financial income and expenses

Total financial income and expenses consists mainly of interest expenses on financial institution loans and convertible bonds and of other interest and financial income and expenses.

Profit (loss) before appropriations and income taxes

Profit (loss) before appropriations and income taxes is the net amount arising from subtracting total financial income and expenses from the operating profit.

Profit (loss) for the period

Profit (loss) for the period is calculated by subtracting possible appropriations and taxes from the profit before taxes and appropriations.

Results of operations for the financial years ended 31 December 2023, 2022 and 2021

The following review describes the development of Canatu's business performance during the period covered by historical financial information. The comparison of results of operations for the financial years ended 31 December 2023, 2022 and 2021 are based on Canatu's audited financial statements, which have been prepared in accordance with the Finnish Accounting Standards and which are attached to this Company Description as Appendix C.

The following table sets forth the key items of Canatu's profit and loss account for the periods indicated.

	For the financial years ended 31 December			Change	
EUR thousand	**2023**	**2022**	**2021**	**2023/2022**	**2022/2021**
		(audited)		**(unaudited)**	
Net turnover	**13,591**	**8,382**	**5,455**	**5,209**	**2,927**
Other operating income	2,855	1,196	547	1,659	649
Materials and external services total	-3,530	-2,358	-1,745	-1,172	-613
Total staff expenses.......................	-7,651	-5,285	-4,264	-2,366	-1,021
Depreciation and reduction in value	-918	-658	-749	-260	91
Other operating expenses...............	-5,142	-3,717	-2,904	-1,425	-813
Operating profit (loss)..................	**-640**	**-2,440**	**-3,660**	**1,800**	**1,220**
Financial income and expenses......	-678	-534	-270	-144	-264
Profit (loss) before appropriations and income taxes.........................	**-1,318**	**-2,974**	**-3,930**	**1,656**	**956**
Profit (loss) for the period	**-1,318**	**-2,974**	**-3,930**	**1,656**	**956**

Net turnover

Canatu's net turnover in the periods presented has consisted primarily of revenues from product sales to customers in the semiconductor industry, as well as from product sales to customers in the automotive industry.

Net turnover was EUR 13,591 thousand, EUR 8,382 thousand and EUR 5,455 thousand for the financial years ended 31 December 2023, 2022 and 2021, respectively. Net turnover increased by EUR 5,209 thousand or 62.1 per cent for the financial year ended 31 December 2023 as compared to the financial year ended

31 December 2022, when the net turnover increased by EUR 2,927 thousand or 53.7 per cent as compared to the financial year ended 31 December 2021.

The positive development of net turnover during all periods presented was mainly due to increase in sales of products and services.

Other operating income

Other operating income was EUR 2,855 thousand, EUR 1,196 thousand and EUR 547 thousand for the financial years ended 31 December 2023, 2022 and 2021, respectively. Other operating income increased by EUR 1,659 thousand or 138.7 per cent for the financial year ended 31 December 2023 as compared to the financial year ended 31 December 2022, when other operating income increased by EUR 649 thousand or 118.6 per cent as compared to the financial year ended 31 December 2021.

The increase in other operating income in the financial year ended 31 December 2023 as compared to the financial year ended 31 December 2022 was mainly due to the conversion of EUR 1,700 thousand of a product development loan from Business Finland into a grant. The increase in other operating income in the financial year ended 31 December 2022 as compared to the financial year ended 31 December 2021 was mainly due to a grant from a lessor related to electrical work conducted by Canatu on the leased premises as well as grants from Business Finland.

Materials and external services

Materials and external services were EUR 3,530 thousand, EUR 2,358 thousand and EUR 1,745 thousand for the financial years ended 31 December 2023, 2022 and 2021, respectively. Materials and external services increased by EUR 1,172 thousand or 49.7 per cent for the financial year ended 31 December 2023 as compared to the financial year ended 31 December 2022, when materials and external services increased by EUR 613 thousand or 35.1 per cent as compared to the financial year ended 31 December 2021.

The increase in materials and external services in the financial year ended 31 December 2023 as compared to the financial year ended 31 December 2022 and the increase in materials and external services in the financial year ended 31 December 2022 as compared to the financial year ended 31 December 2021 were mainly due to increased net turnover, and also increased subcontracting due to the increased revenue.

Staff expenses

Staff expenses were EUR 7,651 thousand, EUR 5,285 thousand and EUR 4,264 thousand for the financial years ended 31 December 2023, 2022 and 2021, respectively. Staff expenses increased by EUR 2,366 thousand or 44.8 per cent for the financial year ended 31 December 2023 as compared to the financial year ended 31 December 2022, when staff expenses increased by EUR 1,021 thousand or 23.9 per cent as compared to the financial year ended 31 December 2021.

Staff expenses have been Canatu's most significant expense item over the past three financial years. In the financial year ended 31 December 2023, they amounted to 56.3 per cent of the net turnover and, in the financial year ended 31 December 2022, to 63.1 per cent of the net turnover. Staff expenses are mostly fixed, and the increase in staff expenses during the years covered by the financial information in this Company Description has mainly been driven by the growth of the employee base and annual salary increases.

Depreciation and reduction in value

Depreciation and reduction in value were EUR 918 thousand, EUR 658 thousand and EUR 749 thousand for the financial years ended 31 December 2023, 2022 and 2021, respectively. Depreciation and reduction in value increased by EUR 260 thousand or 39.5 per cent for the financial year ended 31 December 2023 as compared to the financial year ended 31 December 2022, when depreciation and reduction in value decreased by EUR 91 thousand or 12.1 per cent as compared to the financial year ended 31 December 2021.

The increase depreciation and reduction in value in the financial year ended 31 December 2023 as compared to the financial year ended 31 December 2022 was mainly due to an increase in the depreciations of production machinery. The decrease in depreciation and reduction in value in the financial year ended 31 December 2022 as compared to the financial year ended 31 December 2021 was mainly due to a decrease in the depreciations of research and development expenditure, i.e. of other tangible assets.

Other operating expenses

Other operating expenses were EUR 5,142 thousand, EUR 3,717 thousand and EUR 2,904 thousand for the financial years ended 31 December 2023, 2022 and 2021, respectively. Other operating expenses increased by EUR 1,425 thousand or 38.3 per cent for the financial year ended 31 December 2023 as compared to the financial year ended 31 December 2022, when other operating expenses increased by EUR 813 thousand or 28.0 per cent as compared to the financial year ended 31 December 2021.

The increase in other operating expenses for the financial year ended 31 December 2023 as compared to the financial year ended 31 December 2022 and the increase in other operating expenses for the financial year ended 31 December 2022 as compared to the financial year ended 31 December 2021 were due to increases in marketing expenses, other machinery and equipment costs and research and development costs resulting from growth in Canatu's business operations.

Operating profit (loss)

Operating loss was EUR -640 thousand, EUR -2,440 thousand and EUR -3,660 thousand for the financial years ended 31 December 2023, 2022 and 2021, respectively. The amount of operating loss decreased by EUR 1,800 thousand or 73.8 per cent for the financial year ended 31 December 2023 as compared to the financial year ended 31 December 2022, when operating loss decreased by EUR 1,220 thousand or 33.3 per cent as compared to the financial year ended 31 December 2021.

The decrease in operating loss for the financial year ended 31 December 2023 as compared to the financial year ended 31 December 2022 was mainly due to the conversion of EUR 1,700 thousand of a product development loan from Business Finland into a grant. However, the amount of loss was partially increased by increased staff expenses and increases in other operating expenses. The decrease in operating loss for the financial year ended 31 December 2022 as compared to the financial year ended 31 December 2021 was mainly due to increased other operating income due to a grant from a lessor related to electrical work conducted by Canatu on the leased premises as well as grants from Business Finland.

Financial income and expenses

Financial income and expenses were EUR -678 thousand, EUR -534 thousand and EUR -270 thousand for the financial years ended 31 December 2023, 2022 and 2021, respectively. Financial income and expenses increased by EUR 144 thousand or 27.0 per cent for the financial year ended 31 December 2023 as compared to the financial year ended 31 December 2022, when financial income and expenses increased by EUR 264 thousand or 97.8 per cent as compared to the financial year ended 31 December 2021.

In most years, Canatu's financial expenses are mainly the result of loans from financial institutions and convertible bonds and their variable and fixed interests. Canatu's financial income is mainly related to interest rates collected by Canatu on its bank and cash management accounts.

Profit (loss) before appropriations and income taxes

Loss before appropriations and income taxes was EUR -1,318 thousand, EUR -2,974 thousand and EUR -3,930 thousand for the financial years ended 31 December 2023, 2022 and 2021, respectively. Loss before appropriations and income taxes decreased by EUR 1,656 thousand or 55.7 per cent for the financial year ended 31 December 2023 as compared to the financial year ended 31 December 2022, when loss before appropriations and income taxes decreased by EUR 956 thousand or 24.3 per cent as compared to the financial year ended 31 December 2021.

The decrease in loss before appropriations and income taxes for the financial year ended 31 December 2023 as compared to the financial year ended 31 December 2022 was mainly due to the conversion of EUR 1,700 thousand of a product development loan from Business Finland into a grant. However, the loss was partially increased by increased staff expenses and increases in other operating expenses. The loss in profit before appropriations and income taxes for the financial year ended 31 December 2022 as compared to the financial year ended 31 December 2021 was mainly due to a decrease in other operating income due to a grant from a lessor related to electrical work conducted by Canatu on the leased premises as well as grants from Business Finland.

Profit (loss) for the period

Profit (loss) for the period was EUR -1,318 thousand, EUR -2,974 thousand and EUR -3,930 thousand for the financial years ended 31 December 2023, 2022 and 2021, respectively. Loss for the period decreased by EUR 1,656 thousand or 55.7 per cent for the financial year ended 31 December 2023 as compared to the financial year ended 31 December 2022, when loss for the period decreased by EUR 956 thousand or 24.3 per cent as compared to the financial year ended 31 December 2021.

The decrease in loss for the period for the financial year ended 31 December 2023 as compared to the financial year ended 31 December 2022 was mainly due to the conversion of EUR 1,700 thousand of a product development loan from Business Finland into a grant. However, the loss was partially increased by increased staff expenses and increases in other operating expenses. The decrease in loss for the period for the financial year ended 31 December 2022 as compared to the financial year ended 31 December 2021 was mainly due to increased other operating income due to a grant from a lessor related to electrical work conducted by Canatu on the leased premises as well as grants from Business Finland.

Liquidity and Capital Resources

<u>General</u>

Liquidity describes the ability of a company to generate sufficient cash flows to meet the requirements of its business operations, including working capital needs, debt service obligations, capital expenditures, contractual obligations, and other commitments.

Canatu's financial position and liquidity are and will continue to be influenced by a variety of factors, including:

- Canatu's ability to generate cash flows from its operations;
- Canatu's level of indebtedness and the interest payable for its debts, which affects Canatu's net financial expenses;
- Canatu's ability to raise debt financing from financial institutions; and
- Canatu's growth funding requirements.

Canatu's primary funding requirements are driven by its regular operating expenses, investment costs and scheduled loan repayments.

<u>Liquidity</u>

Canatu's cash and cash equivalents were EUR 5,895 thousand as at 31 December 2023, EUR 14,764 thousand as at 31 December 2022 and EUR 2,088 thousand as at 31 December 2021. Cash and cash equivalents consist of cash in hand and at banks. Canatu's other investments were altogether EUR 1,344 thousand as at 31 December 2023, EUR 1,344 thousand as at 31 December 2022 and EUR 6,341 thousand as at 31 December 2021. Other investments consist of Evli Euro Liquidity Fund and, in Canatu's view, it is able to liquidate these securities quickly.

In September 2022, Canatu entered into a convertible loan agreement with Varma Mutual Pension Insurance Company ("**Varma**"). The loan principal is EUR 5,000 thousand. The loan bears interest of 6 per cent per annum which is capitalised on the last business day of each calendar year. The total amount of the capitalised principal was EUR 5,378 thousand on 31 December 2023. The loan must be repaid on 31 December 2024, or the loan may be converted into senior share class shares (series E shares) in Canatu at a price of EUR 16.15 per share. The loan agreement includes certain customary representations and warranties, as well as certain events resulting in immediate conversion of the loan into shares. Because of the aforementioned conversion clause, Varma has the right to convert the loan into shares in Canatu at a conversion rate discounted by 20 per cent (*i.e.*, EUR 22.87) in connection with the Transaction.

Canatu has received two separate product development loans classified as state aid from Business Finland for a total of two separate product development projects. The principal amount of these loans as at 31 December 2023 was EUR 2,872 thousand in total. Since the interest on the loans has been forgiven according to the State Treasury's payment plans, the loans bear no interest. According to the loan agreements, Canatu must obtain consent from Business Finland for the Transaction, which it expects to receive before the completion of the Transaction.

In October 2022, Canatu, as a borrower, entered into a loan agreement with Nordea Bank Oyj ("**Nordea**") for an amount of EUR 5,000 thousand. The principal accrues interest at the rate of 3.1 per cent plus 3-month Euro Interbank Offered Rate (EURIBOR). Canatu repays the loan in quarterly instalments of approximately EUR 278 thousand. The interest is paid monthly. The final instalment will be paid on 19 October 2027. As at 31 December 2023, the loan principle was EUR 4,444 thousand. Canatu has issued two floating charge notes amounting to EUR 6,900 thousand which are held by Nordea as a guarantee for the loan. The loan agreement contains, among other things, an acceleration clause, whereby Nordea has the right to demand immediate repayment of the entire outstanding balance of the loan upon the occurrence of certain events. As Canatu's ownership structure changes as a result of the Transaction, Nordea would have the right to demand repayment of the loan under the acceleration clause. However, Canatu has obtained from a waiver, in which Nordea agrees not to demand repayment as a result of the Transaction.

<u>*Cash flows*</u>

The following table sets forth a summary of Canatu's unaudited statements of cash flows for the financial years ended 31 December 2023, 2022 and 2021 that are prepared for this Company Description and are not included in financial statements:

EUR thousand	**For the financial years ended 31 December**		
	2023	**2022**	**2021**
		(unaudited)	
Cash flow from operating activities..........................	-3,378	-3,202	-2,190
Cash flow from investing activities	-4,687	-2,172	-828
Cash flow from financing activities	-804	13,054	-500
Net change in cash and cash equivalents	**-8,869**	**7,680**	**-3,517**
Cash and cash equivalents at beginning of period...	16,108	8,429	11,946
Cash and cash equivalents at end of period	**7,239**	**16,108**	**8,429**

Cash Flow from Operating Activities

Cash flow from operating activities was EUR -3,378 thousand, EUR -3,202 thousand and EUR -2,190 thousand for the financial years ended 31 December 2023, 2022 and 2021, respectively.

During the financial year ended 31 December 2023, the cash flow from operating activities was affected especially by an increase in trade and other receivables. During the financial year ended 31 December 2022, the cash flow from operating activities was affected especially by the net loss for the year. During the financial year ended 31 December 2021, the cash flow from operating activities was affected especially by the net loss for the year as well as an increase in trade payables.

Cash Flow from Investing Activities

Cash flow from investing activities was EUR -4,687 thousand, EUR -2,172 thousand and EUR -828 thousand for the financial years ended 31 December 2023, 2022 and 2021, respectively.

During the financial year ended 31 December 2023, the cash flow from investing activities was affected especially by investments into machinery and equipment. During the financial year ended 31 December 2022, the cash flow from investing activities was affected especially by investments into machinery and equipment as well as R&D. During the financial year ended 31 December 2021, the cash flow from investing activities was affected especially by investments into machinery and equipment.

Cash from Financing Activities

Cash flow from financing activities was EUR -804 thousand, EUR 13,054 thousand and EUR -500 thousand for the financial years ended 31 December 2023, 2022 and 2021, respectively.

During the financial year ended 31 December 2023, the cash flow from financing activities was affected especially by the repayment of a loan from Nordea. During the financial year ended 31 December 2022, the cash flow from financing activities was affected especially by the repayment of the loan from European Investment Bank ("**EIB**"), Nordea's loan of EUR 5 million, Varma's convertible loan of EUR 5 million as well as the equity financing round. During the financial year ended 31 December 2021, the cash flow from financing activities was affected especially by the repayment of the loan from EIB.

Investments

Canatu's cash-flow based gross investments were EUR 4,687 thousand, EUR 2,172 thousand and EUR 828 thousand in the financial years ended 31 December 2023, 2022 and 2021, respectively. Net investments during the financial year ended 31 December 2023 were higher than for the financial year ended 31 December 2022 because of the investments made into increasing production capacity (for further information, see section "– *Business of Canatu – Manufacturing and Logistics*" above). Investments in the financial year ended 31 December 2022 were higher than for the financial year ended 31 December 2021 due to investments into the Vantaa, Finland, production facility as well as R&D.

Balance Sheet Information

Assets

Non-current assets

Non-current assets consist of intangible assets and tangible assets. Canatu's intangible assets consist of intangible rights and capitalised long-term expenses. Canatu's tangible assets consist of buildings, machinery and equipment, other tangible assets and advance payments and construction in progress.

The following table sets forth the Canatu's non-current assets as at the dates indicated:

EUR thousand	As at 31 December			Change	
	2023	**2022**	**2021**	**2023/2022**	**2022/2021**
	(audited, unless otherwise stated)			**(unaudited)**	
Non-current assets					
Intangible assets.............	1,101	919	768	182	151
Tangible assets...............	9,362	5,775	4,411	3,587	1,364
Total non-current assets	**10,463**(1	**6,693**(1	**5,179**(1	**3,769**	**1,514**

1(Unaudited.

The increase in non-current assets as at 31 December 2023 as compared to 31 December 2022 was mainly attributable to increases in machinery and equipment as a result of investments made into increasing production capacity (for further information, see section "– *Business of Canatu – Manufacturing and Logistics*" above). The increase in non-current assets as at 31 December 2022 as compared to 31 December 2021 is mainly attributable to increased machinery and equipment.

Current assets

Current assets consist of inventories, receivables, financial securities as well as cash in hand and at banks. Canatu's receivables consist of account receivables, other receivables and accrued receivables, and Inventories consist of finished products/goods and materials and supplies.

The following table sets forth Canatu's current assets as at the dates indicated:

EUR thousand	As at 31 December			Change	
	2023	**2022**	**2021**	**2023/2022**	**2022/2021**
	(audited, unless otherwise stated)			**(unaudited)**	
Current assets					
Inventories	435	-	-	435	-
Short-term receivables..............	2,942	1,754	962	1,188	792
Other investments.....................	1,344	1,344	6,341	0	-4,996
Cash and cash equivalents........	5,895	14,764	2,088	-8,869	12,676
Total current assets................	**10,616**(1	**17,862**(1	**9,391**(1	**-7,246**	**8,471**

1) Unaudited.

The decrease in current assets as at 31 December 2023 as compared to 31 December 2022 was mainly attributable to a decrease in the cash and cash equivalents. The increase in current assets as at 31 December 2022 as compared to 31 December 2021 was mainly attributable to an increase in cash and cash equivalents as a result of financing activity during 2022. However, the increase was partly offset by a decrease in the amount of other investments as a result from Canatu redeeming funds from Evli Euro Liquidity Fund in which Canatu had invested during a zero interest-rate period.

Equity and liabilities

Equity

Equity consists of share capital, reserve for invested unrestricted equity, retained earnings (loss) and profit (loss) for the period.

The following table sets forth the Canatu's equity as at the dates indicated:

	As at 31 December			**Change**	
EUR thousand	**2023**	**2022**	**2021**	**2023/2022**	**2022/2021**
		(audited)		**(unaudited)**	
Equity					
Shareholders' equity					
Share capital....................	8	8	8	-	-
Other equity	58,053	58,050	49,496	3	8,554
Retained earnings (loss)..	-50,813	-47,839	-43,909	-2,974	-3,930
Profit (loss) for the period.	-1,318	-2,974	-3,930	1,657	956
Total equity....................	**5,930**	**7,245**	**1,666**	**-1,315**	**5,579**

The decrease in equity as at 31 December 2023 as compared to 31 December 2022 was mainly due to the increased retained loss, partly offset by a decrease in the loss for the period. The increase in equity as at 31 December 2022 as compared to 31 December 2021 was mainly due to the equity financing round conducted in 2022, partly offset by increased retained loss.

Long-term Liabilities

Long-term liabilities consist of loans from credit institutions and convertible bonds.

The following table sets forth Canatu's long-term liabilities as at the dates indicated:

	As at 31 December			**Change**	
EUR thousand	**2023**	**2022**	**2021**	**2023/2022**	**2022/2021**
		(audited)		**(unaudited)**	
Long-term liabilities					
Convertible bonds....................	-	5,000	-	-5,000	5,000
Loans from financial institutions	6,080	8,518	6,351	-2,438	2,167
Total long-term liabilities	**6,080**	**13,518**	**6,351**	**-7,438**	**7,167**

The decrease in total long-term liabilities as at 31 December 2023 as compared to 31 December 2022 is mainly attributable to convertible bonds being transferred to short-term liabilities and the instalments of loans from financial institutions being transferred to short-term liabilities in 2023. The increase in in total long-term liabilities as at 31 December 2022 as compared to 31 December 2021 is mainly attributable to Varma's convertible loan of EUR 5,000 thousand and Nordea's bank loan of EUR 5,000 thousand taken during 2022.

Short-term Liabilities

Short-term creditors consist of loans from financial institutions, received prepayments, accounts payable, other liabilities and accrued liabilities.

The following table sets forth Canatu's short-term liabilities at the dates indicated:

EUR thousand	As at 31 December 2023	2022	2021	Change 2023/2022	2022/2021
		(audited)		(unaudited)	
Short-term liabilities					
Convertible bonds	5,378	-	-	5,378	-
Loans from financial institutions	1,237	1,305	3,972	-68	-2,667
Received prepayments	48	243	771	-195	-528
Accounts payable	701	772	705	-71	67
Other liabilities	163	105	88	58	17
Accrued liabilities	1,515	1,368	1,018	147	350
Total short-term liabilities	**9,069**	**3,793**	**6,553**	**5,276**	**-2,761**

The increase in short-term liabilities as at 31 December 2023 as compared to 31 December 2022 is mainly attributable to convertible bonds being transferred to short-term liabilities in 2023. The decrease in short-term liabilities as at 31 December 2022 as compared to 31 December 2021 is mainly attributable to a decrease in loans from financial institutions.

Contractual Obligations and Off-Balance Sheet Liabilities

EUR thousand	As at 31 December 2023	2022	2021	Change 2023/2022	2022/2021
		(audited)		(unaudited)	
Responsibilities and guarantees					
Loan secured by business mortgage	4,444	5,000	-	-556	5,000
Business mortgage	6,900	6,900	-	-	6,900
Credit cards, amount of responsibility	29	17	6	11	12
Amount available	29	17	6	11	12
Security					
Bank deposit	10	10	10	-	-
Rental liabilities					
Rental liability of premises (Vantaa Tiilitie)	263	263	214	-	49
Rental liability of premises	193	193	193	-	-
Leasing					
Payable during next 12 months	65	38	63	27	-25
Payable later	69	33	29	36	5
Other liabilities[1]	55	55	55	-	-

1) Other liabilities comprise of a collateral deposit regarding a supplier agreement.

Except for the contractual obligations and contingent liabilities set forth above, Canatu has no off-balance sheet liabilities that are reasonably likely to have a material effect on Canatu's business, financial position, results of operations or cash flows.

Administration, Management and Auditors

General

Pursuant to the provisions of the Finnish Companies Act and Canatu's Articles of Association, the management and control of Canatu is divided between the shareholders, the Board of Directors and the CEO. In addition, the management team assists the CEO in the development and operational management of Canatu's business operations.

Canatu's shareholders exercise control over Canatu at General Meetings. Under Canatu's Articles of Association, the Annual General Meeting must be held annually within six months at the end of the financial year. The Finnish Companies Act and Canatu's Articles of Association define the matters to be discussed at the Annual General Meeting.

The shareholders participate in the administration and management of Canatu through decisions made at General Meetings. In addition, a General Meeting must be held pursuant to the Finnish Companies Act when requested in writing by the auditor of Canatu or by shareholders representing at least one tenth of all the issued shares for the purposes of addressing a specified matter.

Board of Directors and the Management Team

Board of Directors

The Board of Directors has a general responsibility for Canatu's governance and the appropriate organisation of operations. The Board of Directors has approved written rules of procedure that define the matters within the Board of Directors' responsibility. The Board of Directors affirms the principles of Canatu's strategy, organisation, accounting and controlling the management of assets and appoints the CEO of Canatu. The CEO is responsible for carrying out the strategy of Canatu and for day-to-day administration based on the instructions and orders issued by the Board of Directors.

Canatu's Board of Directors does not have a separate audit committee or remuneration committee, but the Board of Directors is responsible for the proper preparation and performance of these duties. These duties include overseeing Canatu's financial reporting, risk management and related party transactions. In addition, these duties involve tasks related to the selection of the auditor and the assessment of the auditor's independence along with overseeing the audit process. These tasks also include preparing proposals for the remuneration and election of the Board of Directors for the General Meeting.

Canatu's Board of Directors consists of a minimum of one and maximum of seven ordinary members and a maximum of seven deputy members. The term of office of the members of the Board of Directors expires at the end of the first annual general meeting of shareholders following their election.

The Board of Directors has five members as at the date of this Company Description:

Name	Year of Birth	Position	Board Member Since
Ari Ahola	1957	Chair	2021 and in 2008–2019
Jörg Buchholz	1969	Board Member	2018
Anthony Cannestra	1964	Board Member	2017
Sami Lampinen	1970	Board Member	2023 and in 2011–2021
Thomas P. Lantzsch	1960	Board Member	2023

Ari Ahola has served as member and as Chair of Canatu's Board of Directors since 2021. Previously, Ahola served as member of Canatu's Board of Directors in 2013–2019 and Chair of Canatu's Board of Directors in 2008–2013. Ahola has been Infosto Inc's CO-Founder-CEO since 1986, member of the Board of Directors since 1994 and Chair of the Board of Directors since 2023, and Infosto Mediat Oy's CEO in 1996–2001. In 1999, Ahola founded eFruit International Inc in which he serves as CEO, and in 2005 Ahola founded BioZone Scientific International, Inc., in which he serves as Chair of the Board of Directors. In Finland, Ahola's other successful investment targets include Terveystalo Plc, Qvantel Oy and Academica Oy. Ahola holds a Master of Business Administration (MBA) degree.

Jörg Buchholz has served as member of Canatu's Board of Directors since 2018. Buchholz has been a Partner of Ascend Capital Partners since 2011, advising in several M&A and investment projects, and Managing Director of FEDDZ eMobility GmbH, Austria, since 2021. Buchholz served on the Board of Directors of IEE S.A. (Luxembourg) from 2015 to 2016 and has been a Board Director of SAT Sleep Advise Technology (Italy) since 2023. Previously, Buchholz has been active for over 30 years in the global automotive industry for leading OEMs and Tier 1 companies in the United States, Europe and China. Buchholz holds a Master of Science in Mechanical Engineering degree.

Anthony Cannestra has served as member of Canatu's Board of Directors since 2017. Cannestra has been member of the Board of Directors of quadric.io, Inc since 2019, member of the Board of Directors of Dellfer, Inc since 2017 and member of the Board of Directors of Blaize Inc. since 2016. Previously, Cannestra has served as member of the Board of Directors of Metawave Corporation in 2018–2022, member of the Board of Directors for ActiveScaler Inc. in 2018–2021, and member of the Board of Directors of BOND Mobility Inc in 2019–2020. Cannestra has also served as Director of Corporate Ventures of DENSO International America, Inc (DIAM) since 2014, Managing Partner of Strategic Venture Partners in 2010–2014, Ignite Group Ltd's Executive Vice President in 2008–2010 and Principal in 2000–2007, and Senior Manager at Ernst & Young Global Limited in 1995–2000. Cannestra holds a Master of Business Administration (MBA) degree and a Bachelor of Arts (BA) degree in International Economics.

Sami Lampinen has served as member of Canatu's Board of Directors since 2023 and in 2011–2021. Lampinen has been member of the Board of Directors of Prodeko Ventures Oy since 2022, member of the Venture Capital Platform Council of Invest Europe, deputy member of the Board of Directors of Innocap Oy Ab and Chair of the Board of Directors of Inventure IV Oy since 2021, member of the Board of Directors of Business Finland since 2020, member of the Board of Directors of Haltian Ltd since 2019, member of the Board of Directors of Oneio Cloud Corporation since 2018, Chair of the Board of Directors of Inventure III Oy since 2017, member of the Board of Directors of UpCloud Ltd since 2017 of which in 2020–2022 Chair, member of the Board of Directors of Inventure Oy since 2014, Chair of the Board of Directors of Inventure II Oy since 2013, member of the Board of Directors of Creamax Oy since 2010, member of the Board of Directors of Catch-up Oy since 2009, member of the Board of Directors of Onventure Oy since 2005 and member of the Board of Directors of JM Ventures Oy since 1999. Previously, Lampinen has served as Chair of the Board of Directors of FVCA – Pääomasijoittajat ry in 2019–2021. Lampinen has also served as Founder-CEO and Partner of Inventure Oy since 2005, Partner at CapMan Plc in 1997–2005 and Management Consultant at SIAR-Bossard in 1995–1997. Lampinen holds a Master of Science in Industrial Management degree.

Thomas P. Lantzsch has served as member of Canatu's Board of Directors since 2023. Previously, Lantzsch has served as advisory member of the Board of Directors of HERE North America LLC in 2017–2023. Lantzsch has also served as Senior Vice President and General Manager of Internet of Things Group at Intel Corporation in 2017–2023, Arm Holdings PLC's Executive Vice President of Strategy in 2009–2016 and Vice President of Marketing for the Physical IP Division in 2006–2009, Founder-CEO of StarCore, LLC in 2002–2004, Vice President at Motorola Inc. in 1989–2002 and Director at Texas Instruments Inc in 1982–1989. Lantzsch holds a Master of Science in Finance and a Bachelor of Science in Electrical Engineering degrees.

As at the date of this Company Description, Thomas P. Lantzsch is independent of Canatu, its management and its major shareholders. Jörg Buchholz and Anthony Cannestra are independent of Canatu and its management but not of Canatu's major shareholders. Ari Ahola and Sami Lampinen are not independent of Canatu, its management nor its major shareholders.

Management Team

The management team of Canatu consists of the CEO and other members appointed by the Board of Directors. As at the date of this Company Description, the following persons are members of the management team:

Name	Year of Birth	Position	Management Team Member Since
Juha Kokkonen	1969	CEO	2016
Timo Suominen	1969	CFO	2017
Jussi Rahomäki	1982	CPO, Conductive Films	2024
Heikki Heinaro	1962	CPO, Free-Standing Films	2023
Ilkka Varjos	1978	CTO	2012
Samuli Kohonen	1973	CSO	2017
Mari Makkonen	1981	VP, Marketing & Communications	2020
Taneli Juntunen	1990	VP, Engineering	2022
Antti Valkola	1983	VP, Manufacturing	2021
Markku Lamberg	1971	VP, Supply Chain Management	2018
Risto Laine	1985	VP, Manufacturing Equipment	2022
Ann-Sofi Reims	1968	VP, HR	2023

Juha Kokkonen has served as Canatu's CEO and member of the management team since 2016. Prior to Canatu, Kokkonen has served as General Manager at Microsoft Mobile Ltd in 2014–2016 and Nokia Corporation's VP Nokia Windows Phone Device Product Management in 2011–2014, Director, MeeGo

Product Management and Roadmapping in 2009–2011, Director, Nseries Product Group in 2008–2009 and Director, Mobile Experiences in 2005–2007. Kokkonen holds a Master of Science in Technology degree.

Timo Suominen has served as Canatu's CFO and member of the management team since 2017. Suominen has also served as CFO of Futurice Ltd in 2008–2017, Business Planning Manager at Orange S.A. in 2000–2004 and Business Controller at Sonera Corporation in 1995–2000. Suominen holds a Master of Business Administration (MBA) and Master of Science in Industrial Economics degrees.

Jussi Rahomäki has served as Canatu's Chief Product Officer, Conductive Films, and member of the management team since 2024. Rahomäki has been member of the Board of Directors of Photonics Finland since 2023. Previously, Rahomäki has served as member of the Board of Directors of AR Alliance in 2020–2023, member of the Board of Directors of Dispelix USA Inc. in 2019–2023 of which in 2023 as Chair. Rahomäki has also served as Dispelix Ltd's Chief Product Officer in 2021–2023, President and CEO of Dispelix USA Inc. in 2019–2023, Chief Operating Officer in 2017–2019, Manufacturing Director in 2016–2017 and member of the management team in 2016–2023, Researcher at KTH Royal Institute of Technology in 2015–2016 and Postdoctoral Fellow in 2013–2015 and Junior Researcher at University of Eastern Finland in 2009–2013. Rahomäki holds a Doctor of Philosophy in Physics and Executive MBA degrees.

Heikki Heinaro has served as Canatu's Chief Product Officer, Free-Standing Films, and member of the management team since 2023. In addition, Heinaro has served as Canatu's Vice President, Engineering in 2019–2021. Heinaro has been Chair of the Board of Directors of Heinaro Insights Oy, an entity controlled by Heinaro, since 2023 and CEO in 2023. Previously, Heinaro has served as member of the Board of Directors of NIKO Foundation in 2021–2023. Heinaro has also served as General Manager at Microsoft Corporation in 2016–2019, General Manager at Microsoft Mobile Ltd in 2014–2016, Vice President at Nokia Corporation in 2010–2014 and 2005–2009, Head of Chipsets, Symbian Devices at Nokia Corporation in 2009–2010, Business Development Manager in Nokia Ventures Organization at Nokia Corporation in 1999–2001 and Director at International Computers Ltd (ICL) in 1992–1999. Heinaro holds a Master of Science in Computer Science degree.

Ilkka Varjos has served as Canatu's Chief Technology Officer since 2019 and member of the management team since 2012. In addition, Varjos has served as Canatu's VP Technology in 2016–2019, VP Engineering in 2016, Director of Engineering in 2012–2016 and Process Engineer, Printed Electronics in 2009–2012. Varjos has also served as Product Development Engineer at Enfucell Oy in 2008–2009 and Intune Circuits Oy's Development Engineer in 2007–2008 and Process Engineer in 2006–2007. Varjos holds a Master of Science in Paper Converting degree.

Samuli Kohonen has served as Canatu's Chief Sales Officer and member of the management team since 2017. Prior to this, Kohonen held several key leadership positions, including, Lite-On Mobile Plc's Vice President Sales and Marketing in 2010–2017, Senior Director, Sales & Marketing in 2010 and Director, Antenna BCU in 2008–2010. Kohonen has also served as Vice President of Sales and Marketing at Selmic Oy in 2007–2008, Director of Account Management at Lite-On Mobile Plc in 2004–2007, Regional Account Manager at Perlos China Plc in 2002–2004, Senior Project Manager at Perlos Guangzhou Ltd. China in 2001–2002, and Project Manager of Automation at Perlos plc in 1999–2001. With over 20 years of experience in pipeline building, contract negotiation, and business expansion with Fortune 500 customers in the consumer electronics, automotive, and semiconductor industries, Kohonen brings extensive expertise to his role. Kohonen holds a Master of Science in Industrial Engineering degree.

Mari Makkonen has served as Canatu's Vice President, Marketing & Communications, since 2021 and member of the management team since 2020. In addition, Makkonen has served as Canatu's Marketing Director in 2020–2021. Makkonen has also served as Marketing Manager at Serres Oy in 2017–2020, and Marioff Corporation Ltd's Manager, Marketing & Communications in 2016–2017 and Marketing Manager in 2007–2016. Makkonen has nearly 20 years of experience in global B2B technology marketing, communications and brand building, working in high-tech companies, including emerging technology scale-ups, corporations, and family-owned businesses. Makkonen has extensive and versatile experience in leading, establishing, and scaling marketing and communications operations, building brands, developing co-marketing strategies, and driving demand, contributing to the company's growth and valuation. Makkonen holds a Master's degree in Economics and Business Administration.

Taneli Juntunen has served as Canatu's Vice President, Engineering, and member of the management team since 2022. In addition, Juntunen has served as Canatu's Senior Nanotechnology Engineer in 2021–2022 and Nanocarbon Process Engineer in 2020–2021. Juntunen has also served as Doctoral Researcher at Aalto

University in 2015–2019, Part-time Teacher at Aalto University in 2012–2015 and Research Assistant at Aalto University in 2012–2013. Juntunen holds a Doctor of Science in Technology degree in nanotechnology.

Antti Valkola has served as Canatu's Vice President, Manufacturing, and member of the management team since 2021. In addition, Valkola has over 10 years of experience in manufacturing, quality assurance and control within the automotive, electronics manufacturing and nuclear industries. Before his current role as VP, Manufacturing, Valkola was the Quality Director of Canatu in 2020–2021. Under this role, Valkola was responsible for ensuring that CNT products and production processes met customer requirements, and that the Canatu QMS (Quality Management System) and EMS (Environmental Management System) were compliant with the industry standards. In addition, Valkola has served as Quality Manager of Canatu in 2019–2020. Valkola has also served as Quality Manager at Prysmian Group Finland Oy in 2018–2019, Quality Control Manager, Mechanical, at Fennovoima Ltd in 2016–2018, Quality Engineer and Quality Control Team Leader at Vaisala Corporation in 2014–2016 and Murata Electronics Oy's Specialist, Product Quality Control in 2012–2014, Platform Developer Engineer in 2010–2012 and Process Engineer in 2009–2010. Valkola holds a Master of Science in Semiconductors and Materials in Electronics degree.

Markku Lamberg has served as Canatu's Vice President, Supply Chain Management, since 2021 and member of the management team since 2018. In addition, Lamberg has served as Canatu's Vice President, Customer Projects and Supply Chain in 2020–2021 and Director, Sourcing and Supplier Management in 2018–2020. Lamberg has also served as Director, New Display Solutions at Teleste Information Solutions Oy in 2016–2018, Director, Head of Display & Touch at Microsoft Mobile Ltd in 2014–2016 and Nokia Corporation's Director, Head of Display & Touch in 2011–2014, Director, Head of Display & GPU in 2011, Director, Head of Display Solutions in 2009–2010, Head of Display Portfolio Management in 2008–2009 and Senior Manager, Displays in 2006–2007. Lamberg holds a Master of Science in Graphic Arts Technology.

Risto Laine has served as Canatu's Vice President, Manufacturing Equipment, and member of the management team since 2022. Laine has also served as Picosun Oy's Head of Sales Support in 2021–2022, Product Management Director in 2019–2021, Design Team Manager in 2016–2019 and CAD Engineer in 2012–2016. Laine holds a Master of Science in Mechanical Engineering degree.

Ann-Sofi Reims has served as Canatu's Vice President, HR, and member of the management team since 2023. Previously, Reims has served as member of the Board of Directors of Taaleri Wealth Management Ltd in 2019–2021. Reims has also served as Interim HR Director at Sambla Group Oy in 2023, HR Director at Aktia Bank plc in 2021–2022, HR Manager at Taaleri Plc in 2014–2021, HR Consultant at HR4 Solutions Oy in 2010–2014, HR Consultant at Trainers' House Plc in 2008–2010 and Manager, Corporate Fundraising at Finnish Committee for UNICEF in 2007–2008. Reims holds a Master of Science in International Business degree.

CEO

Canatu's CEO is appointed by the Board of Directors. Juha Kokkonen has acted as Canatu's CEO since 2016. The CEO manages and develops Canatu's business and is in charge of the operative administration of Canatu in accordance with the instructions of the Board of Directors. The CEO presents matters and reports them to the Board of Directors. The CEO carries out the day-to-day administration in accordance with the instructions of the Board of Directors and ensures that Canatu's accounting complies with law and that the management of Canatu's assets is organised in a reliable manner.

The CEO's contract may be terminated by either party with a notice period of 3 months. Canatu is entitled to release the CEO from his duties without any payment obligation, except the compensation for the termination period plus a monetary compensation in an amount equal to the CEO's three months' gross monthly salary.

Corporate Governance

In its decision-making and corporate governance, Canatu complies with the Finnish Companies Act, the Articles of Association of Canatu as well as other regulations applied to Canatu.

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

As at the date of this Company Description, the members of Canatu's Board of Directors or the management team have not during the previous five years prior to the publication of the Company Description:

- had any conviction in relation to fraudulent offences,

- acted in executive positions, such as members of administrative, executive or supervisory bodies, or been part of the management of or acted as a general partner of a limited partnership in a company that has filed for bankruptcy, liquidation or restructuring proceedings (excluding such liquidation processes, which have been voluntary in order to legally dissolve a limited liability company in accordance with the Finnish Companies Act in Finland), or

- been the subject of prosecution or penalty by judicial or supervisory authority (including professional associations), and been disqualified by a court from acting as a member of administrative, management or supervisory bodies of any company or prohibited the person from acting in the management of any company or from managing the affairs at any company.

Conflicts of Interest

The provisions regarding the conflicts of interest of the management of a 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 matter that pertains to an agreement between himself and the company. Nor may a member of the Board of Directors take part in the handling of a matter pertaining to an agreement between the company and a third party, should the member in question thereby stand to gain a material benefit, which may be in conflict with the company's interests. What is stated above with regard to agreements is correspondingly applicable to other legal act, legal proceeding and other right of action. These provisions also apply to the CEO. There are no provisions regarding the conflicts of interest of the members of the management team in the Finnish Companies Act.

To the knowledge of Canatu, notwithstanding any shares they hold directly or indirectly in Canatu, the members of the Board of Directors, the CEO and the members of the management team do not have any conflicts of interest between their duties to Canatu and their private interests and/or their other duties. There are no family relationships between the members of Canatu's Board of Directors or the members of its management team.

Management Holdings

As at the date of this Company Description, Canatu has five share classes which carry different preferences in situations where Canatu is liquidated. Each share entitles to one (1) vote at the General Meetings of Canatu. For further information on Canatu's share classes, see section "– *Shares and Share Capital of Canatu*".

The following table sets forth the number of shares held by the members of Canatu's Board of Directors and the management team directly or through a company they exercise control over as at 31 July 2024:

						Total shares and votes	
Name	**Number of series A shares**	**Number of series B shares**	**Number of series C shares**	**Number of series D shares**	**Number of series E shares**	**No of shares and votes**	**Shares and votes, %**
Board of Directors							
Ari Ahola[1]	370,873	544,555	86,503	-	216,704	1,218,635	17.73%
Jörg Buchholz	-	-	-	-	-	-	-
Anthony Cannestra	-	-	-	-	-	-	-
Sami Lampinen	-	-	-	-	-	-	-
Thomas P. Lantzsch	-	-	-	-	-	-	-
Management team							
Juha Kokkonen[2]	-	-	-	-	-	-	-
Timo Suominen	-	-	-	-	-	-	-
Jussi Rahomäki	-	-	-	-	-	-	-
Heikki Heinaro	-	-	-	-	-	-	-
Ilkka Varjos	-	-	-	-	-	-	-
Samuli Kohonen	-	-	-	-	-	-	-
Mari Makkonen	-	-	-	-	-	-	-
Taneli Juntunen	-	-	-	-	-	-	-
Antti Valkola	-	-	-	-	-	-	-
Markku Lamberg	-	-	-	-	-	-	-
Risto Laine	-	-		-	-	-	-
Ann-Sofi Reims	-	-	-	-	-	-	-
Total	370,873	544,555	86,503	-	216,704	1,218,635	17.73%

[1] Holding through Ari Ahola's controlled company eFruit International Inc.
[2] Juha Kokkonen exercised his options under 2017 Stock Options Program on 18 December 2023 to subscribe for 500 series A shares. As at the date of this Company Description, the amendment notification to register the shares to the Trade Register is pending.

As at the date of this Company Description, Canatu has 5 option programs. For further information on Canatu's option programs, see section "– *Shares and Share Capital of Canatu – Option Programs*".

The following table sets forth the number of option rights held by the members of Canatu's Board of Directors and the management team directly or through a company they exercise control over as at 31 July 2024:

Name	Option program 2012	Option program 2016	Option program 2017	Option program 2019	Option program 2024	Total options	Share of options vs. total pool %
Board of Directors							
Ari Ahola	-	-	-	-	-	-	-
Jörg Buchholz	-	-	-	-	-	-	-
Anthony Cannestra	-	-	-	-	-	-	-
Sami Lampinen	-	-	-	-	-	-	-
Thomas P. Lantzsch	-	-	-	-	40,000	40,000	5.37%
Management team							
Juha Kokkonen	-	99,500	116,250	21,722	-	237,472	31.91%
Timo Suominen	1,229	5,000	22,850	10,921	-	40,000	5.37%
Jussi Rahomäki	50,000	-	-	-	-	50,000	6.72%
Heikki Heinaro	25,000	-	25,000	-	-	50,000	6.72%
Ilkka Varjos	5,750	15,000	20,200	9,050	-	50,000	6.72%
Samuli Kohonen	-	-	48,700	8,000	-	56,700	7.62%
Mari Makkonen	-	-	-	10,000	-	10,000	1.34%
Taneli Juntunen	10,000	-	10,000	10,000	-	30,000	4.03%
Antti Valkola	-	-	-	10,000	-	10,000	1.34%
Markku Lamberg	5,000	-	5,000	-	-	10,000	1.34%
Risto Laine	10,000	-	-	-	-	10,000	1.34%
Ann-Sofi Reims	-	-	-	-	-	-	-
Total	**106,979**	**119,500**	**248,000**	**79,693**	**40,000**	**594,172**	**79.83%**

Management Remuneration and Incentive and Pension Schemes

Remuneration of the Board of Directors

In accordance with the Finnish Companies Act, the Annual General Meeting decides on the remuneration payable to the members of Canatu's Board of Directors.

The Annual General Meeting of Shareholders held on 14 May 2024 confirmed the remunerations to the Board of Directors' members as follows: no remuneration shall be paid for those members of the Board of Directors who are compensated otherwise by Canatu, by payroll or through consultancy or other agreement. A monthly remuneration of EUR 3,000 will be paid to the Chair of the Board of Directors and independent board member, and EUR 1,500 will be paid to each of the other board member.

The following table sets forth the remuneration and benefits for membership and board work paid to the Board of Directors of Canatu in the periods indicated:

EUR	1 January to 31 December		
	2023	2022	2021
		(FAS) **(audited)**	
Members of the Board of Directors ...	21,000	18,000	15,000

No material changes have occurred in the remuneration of Canatu's Board of Directors between 31 December 2023 and the date of this Company Description.

Remuneration of the Management Team

The remuneration of the CEO and the management team consists of a fixed base salary, fringe benefits, voluntary pension plans, short-term bonus program and a long-term incentive share plan. With respect to termination benefits, the CEO's agreement includes a three-month notice period in case the CEO or Canatu terminates the agreement. Furthermore, in addition to the ordinary payments due on termination of employment, the CEO is entitled to an additional severance payment corresponding to three months' salary.

The following table sets forth the remuneration and benefits paid to the CEO in the periods indicated:

	1 January to 31 December		
EUR	**2023**	**2022**	**2021**
		(FAS)	
		(audited)	
CEO...	254,642	243,067	211,647

There have not been any significant changes in the management team's remuneration between the year ended 31 December 2023 and the date of this Company Description.

Incentive Schemes

All indefinitely employed employees and directors of Canatu are within the scope of the bonus scheme. The bonus targets are both personal (20% weight) and company-wide (80% weight). The total cost for the bonus scheme for the year 2023 was EUR 680 thousand, and the bonus scheme's target and budget for the year 2024 is EUR 1,200 thousand. The current bonus scheme is in force until 31 December 2024, and the Board of Directors may decide on its continuance.

In addition, Canatu's management team is entitled to a bonus amounting to a total of EUR 200 thousand in connection with the completion of the Transaction

Auditors

Canatu has appointed Ernst & Young Oy, Authorised Public Accountants, as its auditors with Harri Kauttonen as the auditor with the principal responsibility. Harri Kauttonen is registered in the register of auditors referred to in Chapter 6, Section 9 of the Auditing Act (1141/2015, as amended).

The financial statements for the financial years ended 31 December 2023, 31 December 2022 and 31 December 2021 have been audited by Ernst & Young Oy, Authorised Public Accountants, and have been attached to this Company Description as Appendix C.

Shares and Share Capital of Canatu

General on the Shares and Share Capital of Canatu

As at the date of this Company Description, Canatu has five share classes which carry different preferences in situations where Canatu is liquidated.

As at the date of this Company Description, Canatu's registered share capital is EUR 8,000 and the number of shares issued is 6,874,256[39] shares divided into 1,601,005 Series A shares, 2,115,345 Series B shares, 564,722 Series C shares, 1,045,296 Series D shares and 1,547,888 Series E shares. The shares have no nominal value, are denominated in euro and all shares issued have been paid in full and issued in accordance with Finnish laws. As at the date of this Company Description, Canatu does not hold any of its own shares.

Each share entitles to one (1) vote at the General Meetings of Canatu.

According to the Articles of Association of Canatu, in case Canatu is placed into liquidation or bankruptcy or is dissolved, or if a majority of Canatu's shares and the voting power conferred by the shares are transferred by

[39] As at the date of this Company Description, an amendment notification to register 500 new series A shares to the Trade Register is pending.

sale to an external party, or all or substantially all of Canatu's shares and securities entitling to shares are transferred by sale to an existing shareholder who does not already own the shares or securities entitling to shares being transferred in the transaction, or all or substantially all of Canatu's assets are transferred or exclusively licensed, or if a majority of the voting power constituted by Canatu's shares as a result of another corporate arrangement (including mergers and share exchanges) is transferred (hereinafter "liquidation event"), the assets or consideration (hereinafter "consideration") shall be distributed among Canatu's shares as follows:

First, an amount that is greater of the following shall be distributed to each Series E share:

a) The amount corresponding to the subscription price paid for the said Series E share (adjusted for the effect of any distributions or consolidations of the said Series E share preceding the liquidation event) plus any decided but yet unpaid distribution of assets for the said Series E share, provided that the amount to be paid is reduced by the amount equal to the cash dividends already paid for the said share; or
b) All cash or other consideration that would have been distributable to the said Series E share if it had been converted into an Series A share immediately before the liquidation event.

Second, an amount that is greater of the following shall be distributed to each Series D share:

a) The amount corresponding to the subscription price paid for the said Series D share (adjusted for the effect of any distributions or consolidations of the said Series D share preceding the liquidation event) plus any decided but yet unpaid distribution of assets for the said Series D share, provided that the amount to be paid is reduced by the amount equal to the cash dividends already paid for the said share; or
b) All cash or other consideration that would have been distributable to the said Series D share if it had been converted into a Series A share immediately before the liquidation event.

Third, an amount that is greater of the following shall be distributed to each Series C share:

a) The amount corresponding to the subscription price paid for the said Series C share (adjusted for the effect of any distributions or consolidations of the said Series C share preceding the liquidation event) plus any decided but yet unpaid distribution of assets for the said Series C share, provided that the amount to be paid is reduced by the amount equal to the cash dividends already paid for the said share; or
b) All cash or other consideration that would have been distributable to the said Series C share if it had been converted into a Series A share immediately before the liquidation event.

Fourth, an amount that is greater of the following shall be distributed to each Series B share:

a) The amount corresponding to the subscription price paid for the said Series B share (adjusted for the effect of any distributions or consolidations of the said Series B share preceding the liquidation event), plus any decided but yet unpaid distribution of assets for the said Series B share, provided that the amount to be paid is reduced by the amount equal to the cash dividends already paid for the said share; or
b) All cash or other consideration that would have been distributable to the said Series B share if it had been converted into a Series A share immediately before the liquidation event.

To the extent that there are assets remaining to be distributed after the above distribution of consideration, such assets shall be distributed to each Series A share in proportion to shareholdings.

B, C, D, and E series shareholders have the right at any time to convert B, C, D, or E series shares into Series A shares by making a written request to Canatu. The exchange ratio is 1:1. The written request for conversion must specify the number of shares to be converted.

All B, C, D, and E series shares convert automatically without the need for a separate request from the shareholders into Series A shares at an exchange ratio of 1:1 (i) immediately before the implementation of a listing that generates at least EUR 90,000,000 or (ii) if shareholders owning at least fifty percent (50%) of the issued B, C, D, and E series shares, voting as a single class, decide to convert the B, C, D, and E series shares into Series A shares.

In all other situations, A, B, C, D, and E shares confer equal rights in Canatu.

Changes in the Number of Shares and the Share Capital

The following table sets forth a summary of the changes in Canatu's share capital and the number of shares from 1 January 2021 to the date of this Company Description:

Time	Arrangement	Subscription price per share (EUR)	Number of shares in the arrangement	Number of shares after the arrangement	Share capital (EUR)	Registered[1]
22 July 2022	Directed share issue[2]	16.15	309,576 Series E shares	Series A: 1,511,805 Series B: 2,115,345 Series C: 564,722 Series D: 1,045,296 Series E: 1,362,141 Total: 6,599,309	8,000	1 December 2022
19 August 2022	Directed share issue[3]	16.15	185,747 Series E shares	Series A: 1,511,805 Series B: 2,115,345 Series C: 564,722 Series D: 1,045,296 Series E: 1,547,888 Total: 6,785,056	8,000	1 December 2022
18 November 2022	Options exercise[4]	6.00 and 8.00	89,200 Series A shares	Series A: 1,601,005 Series B: 2,115,345 Series C: 564,722 Series D: 1,045,296 Series E: 1,547,888 Total: 6,874,256	8,000	11 April 2023
18 December 2023	Options exercise[5]	6.00	500 Series A shares	Series A: 1,601,505 Series B: 2,115,345 Series C: 564,722 Series D: 1,045,296 Series E: 1,547,888 Total: 6,874,756	8,000	-

[1] The date refers to the date registered to the Finnish Trade Register.
[2] Based on the authorisation granted by the shareholders on 1 August 2019 to issue a total maximum of 1,797,892 Series E shares in deviation from the shareholders' pre-emptive subscription rights, Canatu's Board of Directors resolved on 22 July 2022 on a directed share issue of 309,576 new Series E shares to three different investors.
[3] Based on the authorisation granted by the shareholders on 1 August 2019 to issue a total maximum of 1,797,892 Series E shares in deviation from the shareholders' pre-emptive subscription rights, Canatu's Board of Directors resolved on 19 August 2022 on a directed share issue of 185,747 new Series E shares to one investor.
[4] Holders of options under the Options Program 2016 and Options Program 2017 exercised their options on 18 November 2022 to subscribe for 89,200 Series A shares. 80,000 of the Series A shares were subscribed for at a subscription price of EUR 6.00 and 9,200 were subscribed for at a subscription price of EUR 8.00.
[5] A holder of options under the 2017 Stock Options Program exercised their options on 18 December 2023 to subscribe for 500 Series A shares. As at the date of this Company Description, the amendment notification to register the shares to the Trade Register is pending.

Shareholders of Canatu

The shareholders of Canatu have concluded a shareholders' agreement which, under the Transaction Agreement, will automatically cease to be in effect on the date of completion of the Transaction.

Notwithstanding the above, Canatu has no knowledge of any shareholder exercising control over Canatu or of any other events or arrangements that may have an impact on the exercise of control over Canatu in the future.

Authorisations Granted to the Board of Directors

Authorisation on a share issue and/or issuance of options and other special rights entitling to shares

On 20 November 2023, the General Meeting resolved to authorise the Board of Directors of Canatu to resolve on a share issue and/or issuance of options and other special rights entitling to shares corresponding up to

130,000 new Series A shares. The shares and/or options or other special rights can be issued to Canatu's key employees, management, Board members, consultants or advisors.

Option Programs

On 13 September 2010, Canatu's shareholders resolved to authorise the Board of Directors of Canatu to resolve on the issue of Series A shares and/or option rights entitling to Series A shares. Based on the authorisation, the Board of Directors of Canatu approved an option program on 14 August 2012, which was further supplemented on 2 September 2016 and 17 May 2022 ("**Option Program 2012**"). Each option right entitles the holder to subscribe for one Series A share in Canatu, and a maximum of 140,000 option rights can be granted under the Option Program 2012. The Board of Directors of Canatu decides on the allocation of option rights under the Option Program 2012, and option rights can be granted to current and future employees, consultants, advisors, management and Board members of Canatu and its subsidiaries. The subscription period for shares began upon registration of the Option Program 2012 with the Finnish Trade Register and expires on 31 December 2030. The subscription period for each participant may be divided under the stock option agreement into a special vesting schedule within the above-mentioned time period, so that the participant will not be entitled to subscribe for any or all of the shares at the beginning of the subscription period until the options have vested. Options in the Option Program 2012 are non-transferable and cannot be pledged. The subscription price per share under the Option Program 2012 is determined separately by the Board of Directors of Canatu with respect to each grant of options.

On 27 February 2015, Canatu's shareholders resolved to authorise the Board of Directors of Canatu to resolve on the issue of Series A shares and/or option rights entitling to Series A shares so that the total number of Series A shares in Canatu may be increased by a maximum of 200,000 Series A shares. Based on the authorisation, the Board of Directors of Canatu approved an option program on 12 April 2017, which was further supplemented on 18 November 2022 and 19 March 2024 ("**Option Program 2016**"). Each option right entitles the holder to subscribe for one Series A share in Canatu, and a maximum of 119,500 option rights can be granted under the Option Program 2016. The Board of Directors of Canatu decides on the allocation of option rights under the Option Program 2016, and option rights can be granted to current and future employees, consultants, advisors, management and Board members of Canatu and its subsidiaries. The subscription period for shares began upon registration of the Option Program 2012 with the Finnish Trade Register and expires on 31 December 2030. The subscription period for each participant may be divided under the stock option agreement into a special vesting schedule within the above-mentioned time period, so that the participant will not be entitled to subscribe for any or all of the shares at the beginning of the subscription period until the options have vested. Options in the Option Program 2016 are non-transferable and cannot be pledged. The subscription price per share under the Option Program 2016 is determined separately by the Board of Directors of Canatu with respect to each grant of options.

On 8 June 2017, Canatu's shareholders resolved to authorise the Board of Directors of Canatu to resolve on the issue of Series A shares and/or option rights entitling to Series A shares so that the total number of Series A shares in Canatu may be increased by a maximum of 300,000 Series A shares. Based on the authorisation, the Board of Directors of Canatu approved an option program on 15 September 2017, which was further supplemented on 19 March 2024 ("**Option Program 2017**"). Each option right entitles the holder to subscribe for one Series A share in Canatu, and a maximum of 290,800 option rights can be granted under the Option Program 2017. The Board of Directors of Canatu decides on the allocation of option rights under the Option Program 2017, and option rights can be granted to current and future employees, consultants, advisors, management and Board members of Canatu and its subsidiaries. The subscription period for shares began upon registration of the Option Program 2017 with the Finnish Trade Register and expires on 31 December 2030. The subscription period for each participant may be divided under the stock option agreement into a special vesting schedule within the above-mentioned time period, so that the participant will not be entitled to subscribe for any or all of the shares at the beginning of the subscription period until the options have vested. Options in the Option Program 2017 are non-transferable and cannot be pledged. The subscription price per share under the Option Program 2017 is determined separately by the Board of Directors of Canatu with respect to each grant of options.

On 1 August 2019, Canatu's shareholders resolved to authorise the Board of Directors of Canatu to resolve on the issue of Series A shares and/or option rights entitling to Series A shares so that the total number of Series A shares in Canatu may be increased by a maximum of 200,000 Series A shares. Based on the authorisation, the Board of Directors of Canatu approved an option program on 8 December 2020 ("**Option Program 2019**"). Each option right entitles the holder to subscribe for one Series A share in Canatu, and a maximum of 200,000 option rights can be granted under the Option Program 2019. The Board of Directors of

Canatu decides on the allocation of option rights under the Option Program 2019, and option rights can be granted to current and future employees, consultants, advisors, management and Board members of Canatu and its subsidiaries. The subscription period for shares began upon registration of the Option Program 2019 with the Finnish Trade Register and expires on 31 December 2026. The subscription period for each participant may be divided under the stock option agreement into a special vesting schedule within the above-mentioned time period, so that the participant will not be entitled to subscribe for any or all of the shares at the beginning of the subscription period until the options have vested. Options in the Option Program 2019 are non-transferable and cannot be pledged. The subscription price per share under the Option Program 2019 is determined separately by the Board of Directors of Canatu with respect to each grant of options.

On 20 November 2023, Canatu's shareholders resolved to authorise the Board of Directors of Canatu to resolve on the issue of Series A shares and/or option rights entitling to Series A shares so that the total number of Series A shares in Canatu may be increased by a maximum of 130,000 Series A shares. Based on the authorisation, the Board of Directors of Canatu approved an option program on 25 January 2024 ("**Option Program 2024**"). Each option right entitles the holder to subscribe for one Series A share in Canatu, and a maximum of 130,000 option rights can be granted under the Option Program 2024. The Board of Directors of Canatu decides on the allocation of option rights under the Option Program 2024, and option rights can be granted to current and future employees, consultants, advisors, management and Board members of Canatu and its subsidiaries. The subscription period for shares began upon registration of the Option Program 2024 with the Finnish Trade Register and expires on 31 December 2030. The subscription period for each participant may be divided under the stock option agreement into a special vesting schedule within the above-mentioned time period, so that the participant will not be entitled to subscribe for any or all of the shares at the beginning of the subscription period until the options have vested. Options in the Option Program 2024 are non-transferable and cannot be pledged. The subscription price per share under the Option Program 2024 is determined separately by the Board of Directors of Canatu with respect to each grant of options.

Option Program 2012, Option Program 2016, Option Program 2017, Option Program 2019 and Option Program 2024 contain special terms applicable to participants who are subject to taxation in or by the United States. For taxation reasons, these special terms are stricter than terms to persons not subject to taxation in or by the United States. These special terms include e.g., that the subscription price must be at least 110 per cent of the fair market value of the share at the time of the grant and the options cannot be exercisable longer than 5 years after the grant, if the participant owns more than 10 per cent of the voting power in Canatu. In addition, Canatu's Board of Directors may grant 'restricted shares' to US participants, instead of options. In connection with the granting of restricted shares, Canatu and the US participant would enter into a restricted share agreement, where further restrictions on transfer or forfeiture and other restrictions would be set.

Dividends

Canatu has not yet paid any dividends.

Under the Finnish Companies Act, the General Meeting decides on the distribution of dividends and other distributions of assets based on a proposal by the company's Board of Directors. Dividends are generally declared once every financial year and may be paid only after the General Meeting of shareholders has approved the company's financial statements. For further information on the restrictions applicable to dividend distributions and other distributions of assets, see section "*Shareholders' Rights – Dividends and Distribution of Unrestricted Equity*".

INFORMATION ON LIFELINE SPAC I

General Information

Lifeline SPAC I's memorandum of association was signed on 13 August 2021 and Lifeline SPAC I was registered in the Trade Register on 18 August 2021. Lifeline SPAC I's business name is Lifeline SPAC I Plc, and it is domiciled in Helsinki, Finland. Lifeline SPAC I is entered in the Trade Register under business identity code 3229349-3 and its LEI code is 743700CKOP7IHGI98B12. Lifeline SPAC I is a public limited liability company registered in Finland and established in accordance with Finnish law. Lifeline SPAC I's registered address is Pursimiehenkatu 26 C, FI-00150 Helsinki, Finland, and its phone number is +358 40 736 0676. Lifeline SPAC I's website is at address www.lifeline-spac1.com. Lifeline SPAC I's financial year is calendar year.

Pursuant to Article 3 of Lifeline SPAC I's Articles of Association, the company shall conduct business as a special purpose acquisition company in accordance with applicable stock exchange rules for companies whose shares are, or are intended to be, admitted to trading on a regulated market or multilateral trading facility. The company shall conduct business, subject to approval by a General Meeting, by either (i) acquiring shares in one or more companies, or (ii) acquiring one or several businesses, with the purpose of such acquisition or acquisitions constituting an acquisition as set out in the applicable stock exchange rules and hold and manage shares acquired in accordance with item (i) above or hold and conduct business acquired in accordance with item (ii) above. Before the completion of the acquisition, the company shall follow the rules of the relevant stock exchange that are applicable to SPACs. In addition, the company may conduct other business activities associated therewith. Lifeline SPAC I's Articles of Association are proposed to be amended in connection with, and conditionally upon, the registration of the completion of the Transaction. For further information on the amendments proposed to the Articles of Association, see section "*The Transaction and the Transaction Agreement – Amendments to the Articles of Association of Lifeline SPAC I*".

Overview

Lifeline SPAC I raised EUR 100 million in gross proceeds in the Initial Listing on 14 October 2021. Trading with Lifeline SPAC I's series A shares began on the SPAC segment of the regulated market of Nasdaq Helsinki on 15 October 2021, after which Lifeline SPAC I has, after its General Meeting held on 26 June 2023 granted an additional period of 12 months, 36 months or until 15 October 2024, to complete an acquisition primarily with share consideration, so that the acquisition meets the definition of an acquisition in accordance with the Main Market Rulebook (including the Transaction, the "**Acquisition**").

Lifeline SPAC I's investment strategy involves the identification of target companies and executing the Acquisition that creates considerable added financial value to the shareholders in the long term. Lifeline SPAC I's strategy is to primarily identify and merge with an unlisted technology-focused Nordic company with high growth potential. At the core of Lifeline SPAC I's strategy is to complete the Acquisition fully or almost fully with share consideration, allowing for the funds raised by Lifeline SPAC I in the Initial Listing to be allocated towards financing the growth of the target company. After examining a large pool of potential opportunities, Lifeline SPAC I has concluded that Canatu materially conforms to Lifeline SPAC I's investment criteria and has selected it as the target company in accordance with its investment process. Before the Transaction is completed, Lifeline SPAC I's Board of Directors will present the Transaction to the shareholders of Lifeline SPAC I at the EGM and the EGM must approve the Transaction before it can be completed (for further information, see section "*The Transaction and the Transaction Agreement*"). Shareholders who oppose the Transaction will, under certain conditions, be entitled to have their series A shares redeemed (for further information, see section "*Shareholders' Rights – Special Redemption Condition for Series A Shares in Accordance with the Articles of Association*"). Prior to the Transaction, Lifeline SPAC I is not expected to generate any income from its operations.

Lifeline SPAC I's founders (the "**Founding Partners**") are Lifeline SPAC I's CEO Tuomo Vähäpassi and CFO Mikko Vesterinen, who are responsible for the operative business of Lifeline SPAC I. The Founding Partners possess extensive experience from M&A and capital markets (for further information, see section "*– Key Strengths – Strong experience in the value creation of listed companies, investor communications and M&A processes*" below).

Lifeline SPAC I was founded for the purposes of the Initial Listing in August 2021, but its key persons are experienced management and investment professionals. Timo Ahopelto, Alain-Gabriel Courtines, Caterina Fake, Irena Goldenberg and Petteri Koponen comprise the Board of Directors of Lifeline SPAC I. The members of the Board of Directors possess a long experience in successful investment activities, and Lifeline SPAC I enables its Board of Directors to combine their expertise and to continue carrying on successful investments in growing technology sectors. Following the Transaction, the intention is to create added value for the owners of the Combined Company through the extensive experience and contact network of Lifeline SPAC I and the members of its Sponsor Committee. Ways to create added value include, for instance, developing the growth strategy of the Combined Company, expanding to new target markets, investments in research and development or otherwise helping the Combined Company, for example, to raise funds. The funds Lifeline SPAC I raised in its Initial Listing will primarily be utilised towards the implementation of Canatu's growth strategy.

Lifeline Ventures' partners Timo Ahopelto, Petteri Koponen and Juha Lindfors and Lifeline Ventures' advisor Kai Bäckman have acted in Lifeline SPAC I as the members of the Sponsor Committee. Lifeline Ventures' advisor Ilkka Paananen has acted as the Chair of the Sponsor Committee. The members of the Sponsor Committee have financed the working capital needs of Lifeline SPAC I during its search phase and acted as consultants for the Management Team particularly in other areas than valuation, such as evaluating markets, competitive advantages, technology, business models, scaling factors and the management as well as other personnel. For further information on the members of the Sponsor Committee, see section "*– Administration, Management and Auditors – Company Sponsors*".

The members of the Sponsor Committee have been involved in Lifeline SPAC I's operations as private persons. However, in their capacity as partners and advisors in Lifeline Ventures, the Sponsors have given to Lifeline SPAC I all the expertise and experience they have gained over the years while acting in Lifeline Ventures, which Lifeline SPAC I considers having been extremely valuable for the success of Lifeline SPAC I's investment strategy (for further information, see sections "*– Key Strengths*" and "*– Investment Strategy*" below).

Apart from the CFO, Lifeline SPAC I has no employees, but, rather, the necessary services are provided under agreements concluded by Lifeline SPAC I with its advisors.

The following table presents a selection of Lifeline SPAC I's income statement and balance sheet items as at and for the six months ended 30 June 2024 and 30 June 2023 and as at and for the financial years ended 31 December 2023 and 31 December 2022 and for the period from 13 August to 31 December 2021, prepared in accordance with IFRS Accounting Standards. For further information, see sections "*Certain Matters – Presentation of Financial and Certain Other Information – Historical Financial Information of Lifeline SPAC I*" and "*Selected Financial Information of Lifeline SPAC I*".

	1 January–30 June and as at 30 June		**1 January–31 December and as at 31 December**		**13 August–31 December and as at 31 December**
EUR thousand	**2024**	**2023**	**2023**	**2022**	**2021**
	(unaudited)		**(audited)**		
Operating profit (loss)	-1,077	-738	-1,429	-663	-6,990
Result for the financial period	713	195	-1,419	-1,552	-7,196
Total assets	105,795	102,713	103,992	101,696	102,248
Total equity	4,510	2,573	3,797	2,378	3,930

Key Strengths

Lifeline SPAC I believes that it is very well positioned to identify, assess and complete an attractive Acquisition as well as to support the development of the target company with a long-term perspective, creating substantial added value for Lifeline SPAC I's shareholders. Lifeline SPAC I's strengths that support these capabilities may be divided under three wider themes:

- the first Nordic SPAC focusing on the growth financing of high-growth technology companies;
- highly experienced team, with extensive networks to the target companies as well as a strong track record of building international success stories; and
- incentives that are strongly aligned with those of the investors and an efficient structure.

First Nordic SPAC focusing on the growth financing of high-growth technology companies

Lifeline SPAC I focuses on technology verticals with strong growth potential

Lifeline SPAC I offers investors the possibility to invest in a high-growth technology company in a later growth phase. Lifeline SPAC I offers the target company an alternative to the typical later-phase growth financing round. In the opinion of Lifeline SPAC I's management, investing in growth companies in the later phase has often offered investors the opportunity for good risk-adjusted returns.

The members of the Sponsor Committee have extensive investment experience of investing in companies in the technology segment. Examples of the investment experience of the members of the Sponsor Committee in the technology segment include Smartly.io Solutions Ltd, Umbra Software Oy and Aiven Ltd in enterprise software, Oura Health Ltd, Brainbow Ltd (Peak) and Synoste Ltd in health tech, Sulapac Ltd, Solar Foods Ltd and Norsepower Oy Ltd in climate technology, Wolt Enterprises Oy, Supercell Ltd and Swappie Oy in digital consumer products and services as well as Varjo Technologies Oy, Iceye Ltd and Dispelix Ltd in robotics and hardware.

The Finnish and Nordic markets have the ability to produce potential unicorns[40]

Finland and the Nordics are relatively over-represented in the creation of successful growth companies. Finland and Sweden represent the very top of all of Europe in investments made in technology-sector companies, in proportion to the population.[41] In Finland, investments in growth companies in proportion to the gross national product are the largest in all of Europe[42], and they have increased considerably in the past few years.[43] The members of the Sponsor Committee have been involved in investing in some of potential unicorns among the very first investors and they have excellent relations with the key personnel of such companies. Furthermore, the members of the Sponsor Committee have good and direct contacts with the many high-potential technology companies due to their extensive network in the Finnish growth company arena.

The intention is to identify target companies with considerable appreciation potential by employing an investment strategy that has been assessed to be proven

Lifeline SPAC I seeks to invest in companies operating in rapidly expanding markets and supported by favourable long-term trends. It is Lifeline SPAC I's view that the valuation of Canatu is in balance with the return potential and Canatu and its management team are ready and willing to serve as a listed company.

A highly experienced team, with extensive networks to the target companies as well as a strong track record of building international success stories

The team consisting of Lifeline SPAC I's members of the Board of Directors, the Management Team and the Sponsor Committee has over the years accrued considerable experience in financing and supporting the growth of technology companies and in establishing extensive networks, along with a proven track record of building international success stories. Lifeline SPAC I believes that the particular strengths of Lifeline SPAC I's members of the Board of Directors, the Management Team and the Sponsor Committee (combined) include, among others:

- extensive national and international contact networks that support the development of promising target companies;
- experience from investments into Lifeline SPAC I's target area;
- good experience and background in the technology sector and growth finance;
- extensive experience in the active ownership and development of unlisted growth companies;

[40] A company whose enterprise value is demonstrably in excess of one billion USD.

[41] Source: Invest Europe, Finnish Venture Capital Association, 2023.

[42] Source: OECD - Venture capital investments, Invest Europe, 2023, Finnish Venture Capital Association.

[43] Source: Venture Capital Suomessa, Finnish Venture Capital Association, Invest Europe, 2023.

- strong experience in the value creation of listed companies, investor communications and M&A processes; and

- proven ability to grow the shareholder value of investments.

Extensive national and international contact networks that support the identification of promising target companies

Lifeline SPAC I's members of the Board of Directors, the Management Team and the Sponsor Committee have extensive contact networks that include, *inter alia*, some of the most significant influencers of the technology sector in Finland, the Nordics and elsewhere in the world. The Sponsors have invested in growth companies in the same financing rounds as some of internationally most well-known venture capital investors, such as Sequoia Capital, Atomico, Highland Europe, Iconiq and 83 North. The members of the Sponsor Committee know many of the most successful growth entrepreneurs in Finland and the Nordics. The members of the Sponsor Committee also have strong ties to various advisors focused on technology sector. The extensive networks and good relations with leading advisors facilitate an effective due diligence process and the execution of a successful Acquisition. The team's contact networks are international and mutually complementary.

Experience from investments into Lifeline SPAC I's target area

The Sponsors have extensive experience of investing in companies in the technology sector as well as of supporting the global growth of these companies. The Sponsors typically invest in growth companies among the very first investors and have successfully supported various growth companies. The success of the Sponsors is rendered possible by their extensive contact network, which allows them to get in touch with promising growth companies among the very first investors. The Sponsors' own successful entrepreneurial background and wide experience in growing and developing successful technology companies is also of pivotal importance. Examples of successful growth companies within the technology sector, in which Lifeline Ventures' funds have invested among the very first investors, include Supercell Ltd, Wolt Enterprises Oy, Smartly.io Solutions Ltd, Oura Health Ltd, Iceye Ltd, Swappie Oy, Aiven Ltd and Applifier Oy.

Good experience and background in the technology sector and growth finance

Over the years, the members of the Sponsor Committee have gained comprehensive experience of working with various growth companies and target markets in a variety of roles. Alongside their considerable investment and board experience, they have experience as entrepreneurs and management members in technology sector companies. Of the members of the Sponsor Committee, Petteri Koponen founded Jaiku Oy and First Hop Oy, and was the Chair of the Board of Directors in Supercell Ltd and Wolt Enterprises Oy. Timo Ahopelto founded CRF Box Oy (previously CRF Health) that was one of the first Finnish unicorns, and Ahopelto has additionally served as a Board member, for instance, in Oura Health Ltd and as the Chair of the Board of Directors in the start-up event company Slush Ltd. Kai Bäckman had a long career at Google LLC and founded Tinkercad Inc. Juha Lindfors possesses extensive experience of investment activities at the private equity company EQT Partners Oy, most recently as a partner, as well as experience from the Boards of several technology sector growth companies. The Chair of the Sponsor Committee, Ilkka Paananen, is a founder, the CEO and a member of the Board of Directors of Supercell Ltd in addition to which he has served as a member of the Board of Directors at Wolt Enterprises Oy. For further information on the members of the Sponsor Committee, see section "– *Administration, Management and Auditors – Company Sponsors – Sponsor Committee*".

Extensive experience in the active ownership and development of unlisted growth companies

Combined, the Sponsors have several decades of experience in the active ownership and development of unlisted growth companies. The Sponsors possess versatile experience of the development and practical decision-making process of growth companies at different stages of their development, and their expertise and strong track record give importance and credibility for their views for the target companies. Through their active ownership, the Sponsors have managed to impact the decision-making of their portfolio companies to an extent that exceeds the investment portion of Lifeline Ventures' funds.

Strong experience in the value creation of listed companies, investor communications and M&A processes

Lifeline SPAC I's Management Team possesses extensive experience of M&A and capital markets in transactions of different sizes in various industries. The Management Team's combined experience of successful and versatile corporate acquisitions spans a period of approximately 35 years. The Management Team, consisting of Lifeline SPAC I's CEO Tuomo Vähäpassi and CFO Mikko Vesterinen, has worked in the same team, working on M&A and capital markets transactions at Skandinaviska Enskilda Banken AB (publ) Helsinki Branch for approximately 10 years. CEO Tuomo Vähäpassi possesses approximately 25 years of experience of advising clients in substantial M&A and capital markets transactions. He has previously acted, *inter alia*, as Director and Head of Corporate Finance and as Managing Director of Skandinaviska Enskilda Banken AB (publ) Helsinki Branch, as partner at Hannes Snellman Attorneys in the M&A team (Co-Head/M&A, Head/Technology M&A, Head/Private Equity), as well as member and Chair of the Board of Directors of investment company G.W. Sohlberg, when the company listed Detection Technology Plc as its majority owner. CFO Mikko Vesterinen possesses approximately 10 years of investment banking experience at Skandinaviska Enskilda Banken AB (publ) Helsinki Branch, where he was last acting under the title of Vice President of Corporate Finance, before moving on to the position of the CFO of the application and software company Qvik Ltd.

Proven ability to grow the shareholder value of investments

Lifeline SPAC I's Sponsors have an excellent track record of growing shareholder value in their investment operations. Lifeline Ventures' funds, owned by some of Lifeline SPAC I's Sponsors, have performed excellently compared to certain other asset categories and some of them are among the most successful venture capital funds globally. The returns on certain Lifeline Ventures' funds have been clearly higher than the median returns of global venture capital investments. The net coefficient of Lifeline Ventures Fund I LP, established in 2012, is 9.6 and its internal rate of return is 39.2 per cent per annum. The net coefficient of Lifeline Ventures Fund II LP, established in 2015, is 3.1 and its internal rate of return is 19.6 per cent per annum. The net coefficient of Lifeline Ventures Fund III LP, established in 2016, is 4.7 and the internal rate of return is 38.2 per cent per annum. The net coefficient of Lifeline Ventures Fund IV LP, established in 2019, is 1.2 and the internal rate of return is 7.8 per cent per annum.[44] Since 2015, the S&P 500 index has generated approximately 8.5 per cent per annum (net coefficient of 2.2), the median return on private equity investments globally approximately 17.0 per cent[45] per annum (net coefficient of 1.4)[46] and the median return on venture capital investments globally approximately 16.9 per cent[47] per annum (equivalent to the net coefficient of 1.3)[48]. In terms of its returns, Lifeline Ventures Fund I LP is within its vintage among the highest decile of venture capital funds internationally[49]. The euro-denominated net coefficient of Lifeline Ventures' funds for returns has been approximately 3.4, which means that by investing in Lifeline Ventures' fund investor has multiplied the invested amount to a sum that is 3.4 times the original investment. All of the above performance figures for Lifeline Ventures' funds have been presented after costs, in other words before costs, the return on Lifeline Ventures' funds has been considerably higher than what is set forth above.[50]

Incentives that are strongly aligned with those of the investors and an efficient structure

Efficient raising of growth capital for and long-term commitment to the development of the target company

Lifeline SPAC I raised in the Initial Listing on 14 October 2021 EUR 100 million growth finance for the target company, and it offers a straightforward and transparent listing alternative with moderate transaction risk for the target company. Lifeline SPAC I will strive to offer the target company a high-quality investor base, capable of supporting its long-term growth and value creation. The commitment of the members of the Sponsor Committee to the target company by means of a lock-up that will expire 24 months after the completion of the Acquisition also supports the long-term growth of the target company. A provision in the Articles of Association

[44] The internal rate and net coefficient of Lifeline Ventures Fund II LP calculated from the situation as at 31 December 2023. The internal rate and net coefficient of other Lifeline Ventures funds calculated from the situation as at 30 June 2024.

[45] Source: The median return on the private equity asset category for funds established in and after 2015, Preqin. Reference made in July 2024.

[46] Source: The median net coefficient on the private equity asset category for funds established in and after 2015, Preqin. Reference made in July 2024.

[47] Source: The median return on the venture capital asset category for funds established in and after 2015, Preqin. Reference made in July 2024.

[48] Source: The median net coefficient on the venture capital asset category for funds established in and after 2015, Preqin. Reference made in July 2024.

[49] The internal rate of return of Lifeline Funds I LP of 39.2 per cent per annum is among the highest decile of venture capital funds established in 2012 in comparable funds for which up-to-date data is available. Source: Preqin. Reference made in July 2024.

[50] Source of the performance figures: Lifeline Ventures.

of Lifeline SPAC I assures that the Sponsors have the right to appoint two members to Lifeline SPAC I's Board of Directors starting from the Acquisition and until 24 months have passed since the Acquisition.

The aligned interests of the members of the Sponsor Committee and investors

The Articles of Association of Lifeline SPAC I have been designed so that the interests of the members of the Sponsor Committee and of the investors would be as aligned as possible. The following principle illustrates the uniformity of the interests (for further information, see sections "*– Company Sponsors – Interests in Lifeline SPAC I*" and "*Shareholders' Rights – Conversion of Lifeline SPAC I's series B shares*"):

- Lifeline SPAC I's series B shares may not be converted into series A shares following the approval of the Acquisition until Lifeline SPAC I's series A share price exceeds certain price thresholds that are all higher or equal to the subscription price of the series A shares in the Initial Listing;
- Lifeline SPAC I will be offering its shareholders the possibility to require Lifeline SPAC I to redeem their series A shares following the approval of the Acquisition at the subscription price of the series A shares in the Initial Listing, provided the shareholder has voted against the Acquisition at the General Meeting;
- the proceeds raised from the subscriptions for the series B shares and the Sponsor Warrants have been primarily utilised towards covering all of Lifeline SPAC I's operating expenses until the approval of the Acquisition; and
- the members of the Sponsor Committee have, in respect of series A shares they own, committed themselves to the target company on a long-term basis by means of lock-ups in force for 24 months of the completion of the Acquisition.

The Sponsors are desirable owners among target companies

Lifeline SPAC I believes that it is an attractive prospective purchaser and alternative from the growth companies' perspective for the following reasons:

- The Sponsors have the proven ability to accelerate the growth of the target companies and to build international success stories;
- the target company will be able to benefit from Lifeline SPAC I's versatile expertise and international contact network supporting the development of the target company;
- Lifeline SPAC I has good relations with international entrepreneurs and Board professionals, who may potentially be available to serve on the Board of Directors of the target company;
- Lifeline SPAC I is offering the target company the opportunity to obtain growth financing by means of negotiating in a straightforward and transparent manner with just one party;
- via the Acquisition, Lifeline SPAC I is offering the target company access to Finnish and international financial markets in an accelerated timetable, which, for its part, will support the growth and development of the target company, increase awareness of the target company and reinforce its brand; and
- the Sponsors are offering to act as focal discourse and sparring partners for the founders and the management team of the target company, *inter alia*, through membership in its Board of Directors.

Although Lifeline SPAC I has intended to align the interests of investors and the members of the Sponsor Committee, the investors should familiarise themselves with the conflicts of interest Lifeline SPAC I has identified under sections "*– Administration, Management and Auditors – Conflicts of Interest*" and "*Risk Factors – Risks Related to the Transaction – Because Lifeline SPAC I's members of the Sponsor Committee, Management Team and members of the Board of Directors will lose their entire investment in Lifeline SPAC I (excluding certain investments in series A shares) if the Transaction or an alternative transaction is not completed, a conflict of interest may have arisen in determining whether Canatu was appropriate for Lifeline SPAC I's Transaction*".

Investment Strategy

Lifeline SPAC I has defined the below investment strategy before the Initial Listing in 2021 and materially repeated it in its half-year reports and annual reports under "Investment Strategy". Any references to a target company and a target company's strengths are not references to Canatu or its strengths but constitute criteria and features that Lifeline SPAC I determined in 2021 to make a target company more attractive to Lifeline SPAC I. Lifeline SPAC I considers that Canatu materially conforms to Lifeline SPAC I's investment criteria. Investors must, however, acquaint themselves with and base their assessment and decisions on Canatu, the Transaction and the Combined Company solely on the information presented on Canatu in, inter alia, sections "Risk factors", "The Transaction and the Transaction Agreement", "Information on the Combined Company", "Selected Financial Information of Canatu", "Market and Industry Review" and "Information on Canatu".

The primary strategy of Lifeline SPAC I is to identify and acquire an unlisted target company with high growth potential operating in the technology sector. The core of Lifeline SPAC I's strategy is to carry out the Acquisition with a share consideration, in which case the funds raised in the Initial Listing will be used to finance the growth of the target company.

Lifeline SPAC I's investment strategy includes detecting such corporate acquisition targets and carrying out such Acquisitions that will provide considerable long-term value to shareholders. Lifeline SPAC I is seeking a target company with excellent long-term growth and internationalisation potential that Lifeline SPAC I, along with the Sponsors, can support and accelerate.

Lifeline SPAC I's target segments include, for instance, enterprise software, healthtech, climate technology, digital consumer products and services, as well as robotics and hardware. These technology segments represent markets that are extremely large globally, with also a very strong growth outlook.

Generally speaking, Lifeline SPAC I's investment strategy is rooted in the notion that the best possible way of creating value for the shareholders in the long term is to select a target company whose growth and development may be supported through leveraging Lifeline SPAC I's extensive expertise and experience as well as its international contact network.

Investment Process

Lifeline SPAC I's aim has been to identify and assess target company candidates and to acquire a target company that meets the prerequisites specified in Lifeline SPAC I's investment strategy and has the potential to create shareholder value in the long term.

In connection with its Initial Listing, Lifeline SPAC I designed a systematic process to identify and evaluate target company candidates in order to meet the above-described objectives of the investment strategy. The Management Team has ensured that the Sponsor Committee has been continuously presented with new target companies for evaluation, based on which the Sponsor Committee has made a proposal to acquire Canatu to Lifeline SPAC I's Board of Directors. The Management Team's role has been to perform analytical and preparatory work so that the time and experience of the Sponsor Committee could be efficiently utilised in analysing other than valuation related issues and supporting the Management Team. The members of the Sponsor Committee have provided Lifeline SPAC I with the understanding of the target market, competitive advantages, technology, business models, scaling factors and evaluation of the management teams and other personnel of the target company candidates.

After the Initial Listing, the Sponsor Committee convened regularly, as required, and Lifeline SPAC I's Board of Directors had good access to the Sponsor Committee and to all the materials relevant for Lifeline SPAC I's operations. Lifeline SPAC I's Board of Directors utilised the analyses of the Management Team and of the Sponsor Committee in making its final decision, but it was not tied to the recommendations of the Sponsor Committee or the Management Team, and made decisions concerning the Transaction independently. Prior to convening the EGM, the Board of Directors unanimously approved the Transaction.

Identification of potential target companies

Lifeline SPAC I actively identified target company candidates that it considered being capable of developing further in the listed company environment. The Sponsor Committee explored its own networks, consisting of owners, entrepreneurs, upper management of listed and unlisted companies, consultants and other M&A advisors, in order to identify interesting companies meeting the investment criteria. The Sponsor Committee selected Canatu based on an analytical evaluation after the preparatory work carried out by the Management Team.

Evaluation of the selected potential target companies

Lifeline SPAC I's Board of Directors conducted a more detailed evaluation of Canatu together with the Joint Financial Advisors and legal advisor Borenius Attorneys Ltd retained by Lifeline SPAC I, in addition to which Lifeline SPAC I conducted the necessary analyses in the Sponsor Committee and on the Board level, including, an assessment of the management and owners of Canatu, surveying business opportunities, along with any other measures it deemed necessary. The assessment entailed extensive discussions with the management of Canatu, the applicable experts of the field, as well as an analysis of the financial development and potential growth of Canatu and its competitors. Further measures included an assessment of Canatu's management and examination, whether Canatu is ready to be listed within a reasonable time period, and whether it meets the listing requirements of the First North marketplace.

Approval and completion of the Transaction

Once the potential target companies had been diligently analysed and negotiations had been conducted with Canatu, the Management Team decided to submit to Lifeline SPAC I's Board of Directors a resolution proposal to sign the Transaction Agreement while the Sponsor Committee supported and advised the work of the Management Team. To support their assessment concerning the Transaction, Lifeline SPAC I's Board of Directors received a fairness opinion regarding the fairness of the purchase price for the shareholders of Lifeline SPAC I dated 4 July 2024 (the "**Fairness Opinion**") from HLP Corporate Finance Oy. According to the Fairness Opinion, subject to the assumptions and limitations presented therein, the purchase price is fair from a financial point of view to the shareholders of Lifeline SPAC I.

All members of Lifeline SPAC I's Board of Directors, including the independent members of the Board of Directors, decided unanimously on entering into the Transaction Agreement. Nasdaq Helsinki decided that Lifeline SPAC I's listed series A shares would have an observation status at Nasdaq Helsinki following Lifeline SPAC I's public announcement on its intention to complete the Transaction. The completion of the Transaction is contingent upon the fulfilment of certain preconditions, including the respective approvals by the EGM of Lifeline SPAC I and Nasdaq Helsinki regarding the Transaction.

The Board of Directors of Lifeline SPAC I has on 2 August 2024 proposed that the EGM of Lifeline SPAC I convened to be held on 23 August 2024 would resolve on the Transaction, along with other required preparations pertaining thereto, including measures to list the Combined Company's series A shares on the First North marketplace. The Transaction must be approved by a simple majority of the votes cast at the EGM, taking into account, however, that the issuance of the Consideration Shares requires the support of qualified majority (i.e. no less than two thirds of the votes cast and the Shares represented at the General Meeting) pursuant to the Finnish Companies Act.

Structure and financing of the Transaction

Lifeline SPAC I will carry out the Transaction with share consideration, which allows for the funds raised in the Initial Listing to be available for the development and expansion of the Combined Company's operations. For further information on the consideration to be paid in connection with the Transaction, see section "*The Transaction and the Transaction Agreement – Share Consideration*". Following the completion of the Transaction, Canatu will become Lifeline SPAC I's wholly-owned subsidiary.

Preparing for and progress of the listing process

Lifeline SPAC I will initiate a listing process to list the Combined Company's series A shares on the First North marketplace after the EGM has approved the Transaction. Lifeline SPAC I and Canatu strive to complete the listing process without unnecessary delay to reduce the time span between the signing date of the Transaction Agreement and the completion of the Transaction. For further information on the listing process of the Combined Company's series A shares, see section "*The Transaction and the Transaction Agreement – Listing of the Listing Shares*."

Lifeline SPAC I has prepared the assessment of the listing requirements and of all other factors pertinent for the Transaction to as large extent as possible in good time, so as to allow the process to be completed as efficiently as possible. Lifeline SPAC I prepared a clear plan of the different phases of the Transaction, so the execution could commence immediately following the announcement of the Transaction.

Time period following the Transaction

In connection with the Transaction, the Sellers require certain changes in the composition of the Combined Company's Board of Directors, and in how the operations are to be developed further. Nevertheless, Lifeline SPAC I's members of the Board of Directors, the Management Team and the Sponsor Committee will remain as owners in the Combined Company and play an active role in developing the operations. To support this, the Sponsors and Lifeline SPAC I's CEO Tuomo Vähäpassi have the right, in accordance with the Articles of Association of Lifeline SPAC I, to appoint two members to the Board of Directors of Lifeline SPAC I until two years have passed since the completion of the Transaction.

In addition, Lifeline SPAC I's members of the Board of Directors, the Management Team and the Sponsor Committee have on 3 October 2021, in respect of the series A shares they own, committed to lock-ups lasting for 24 months after the completion of the Transaction. The lock-ups serve to ensure that the interests of the shareholders and of the Sponsors in the development and value creation of the Combined Company be aligned at least for the said time period.

Lifeline SPAC I's members of the Board of Directors, the Management Team and the Sponsor Committee hold a total of 2,500,000 series B shares that may be converted into series A shares in Lifeline SPAC I following the approval of the Acquisition, so that each of Lifeline SPAC I's series B shares is converted into one of Lifeline SPAC I's series A shares. 8/50 of the series B shares may be converted into series A shares after the approval of the Acquisition, once the Combined Company's listed series A shares reach the price of EUR 10 per share, 21/50 once the Combined Company's listed series A shares reach the price of EUR 12 per share and 21/50 once the Combined Company's listed series A shares reach the price of EUR 14 per share in accordance with the Articles of Association (the "**Share Price Limit**"). These provisions are intended to ensure that the incentives of the investors and of Lifeline SPAC I's members of the Board of Directors, the Management Team and the Sponsor Committee to develop the Combined Company's operations are aligned. All Shares in Lifeline SPAC I confer equal voting and economic rights, excluding the redemption condition of series A shares and the exclusion of right to dividend and distribution of assets and of the right to distributive share in the event of dissolution of Lifeline SPAC I of series B shares. For further information on the redemption condition of series A shares, see section "*Shareholders' Rights – Special Redemption Condition for Series A Shares in Accordance with the Articles of Association*" and for further information on the conversion of series B shares into series A shares, see section "*Shareholders' Rights – Conversion of Lifeline SPAC I's Series B Shares*".

In addition, the subscriptions for series A shares with Founder Warrants and Sponsor Warrants have been tied to the completion of the Transaction. The Founder Warrants and the Sponsor Warrants entitle to subscribe for the Combined Company's series A shares 30 days after the completion of the Transaction, and the subscription right ceases in five years from the beginning of the subscription period. The subscription price for series A shares subscribed for with the Founder Warrants and the Sponsor Warrants is EUR 12.00 per subscribed series A share.

Lifeline SPAC I will issue Investor Warrants in conjunction with the Transaction. The Investor Warrants will confer the right to subscribe for Lifeline SPAC I's series A shares. For further information, see section "*The Transaction and the Transaction Agreement – Investor Warrants – Series 2021-C*".

Financial Targets

As at the date of this Company Description, Lifeline SPAC I has not adopted any financial targets, but, rather, is focused on completing the Transaction and listing the Combined Company's series A shares on the First North marketplace.

Organisation

The organisation of Lifeline SPAC I consists of Lifeline SPAC I's Board of Directors, Management Team and Sponsor Committee. Apart from the CFO, Lifeline SPAC I has no employees, but, rather, the necessary services are provided under agreements concluded by Lifeline SPAC I with its advisors.

Lifeline SPAC I's organisation has been arranged so that Canatu will be able to continue the acquired business operations by itself.

As at the date of this Company Description, Lifeline SPAC I does not have any subsidiaries.

Intellectual Property Rights

Lifeline SPAC I has received consent from Lifeline Ventures to use "Lifeline" as a part of its business name. Lifeline SPAC I will be changing its name to Canatu Plc (Canatu Oyj in Finnish) in connection with the completion of the Transaction. Lifeline SPAC I holds no patents, utility models or registered design rights. Lifeline SPAC I is not dependent on any individual intellectual property rights. Lifeline SPAC I will, however, be protecting its key intellectual property rights through registration, if necessary. Furthermore, Lifeline SPAC I will be protecting potential trade secrets, technical information and know-how with the requisite agreements, undertakings, or otherwise.

Real Estate and Leases

Lifeline SPAC I does not own any business premises. Lifeline SPAC I has a lease agreement with a related party, Tehtaankatu Base Ltd. The total rent according to the agreement is EUR 1,000.00 (VAT 0%) per month and the rental period started on 1 October 2021. For further information, see section "– *Related Party Transactions*".

Material Agreements

The Transaction Agreement

Lifeline SPAC I and Canatu announced on 5 July 2024 that they had signed the Transaction Agreement in which all shares, option rights and warrants in Canatu will be transferred to Lifeline SPAC I against share consideration in a directed share issue to the Sellers. As a result of the completion of the Transaction, the business operations of Canatu will be transferred in their entirety to Lifeline SPAC I. For further information, see section "*The Transaction and the Transaction Agreement – Transaction Agreement*".

The Placing Agreement

Lifeline SPAC I and the Joint Financial Advisors entered into a placing agreement on 14 October 2021, defining the services provided by the Joint Financial Advisors in connection with the Initial Listing (the "**Placing Agreement**"). Pursuant to the Placing Agreement, Lifeline SPAC I has undertaken to pay the Joint Financial Advisors a fee for services provided in connection with the Acquisition. If Lifeline SPAC I succeeds in completing the Acquisition in accordance with its investment strategy, it has committed to pay the Joint Financial Advisors a total maximum of EUR 1.5 million from the proceeds raised in the Initial Listing after Lifeline SPAC I has first fulfilled any requests for redemption of series A share shareholders.

The Escrow Account Agreement with Danske

Lifeline SPAC I has opened a bank account with Danske for the deposit of certain funds obtained in the Initial Listing. Lifeline SPAC I entered into an agreement prior to the Initial Listing stipulating that Danske will, on behalf of Lifeline SPAC I, ensure that the account in question will be blocked from access, and that agreement further regulates the conditions under which this block can be removed. The agreement entails that Lifeline SPAC I will not have the right to utilise or dispose of the deposited amount until certain conditions stipulated in the agreement have been met. These conditions include, for instance, the requirement that a share purchase agreement concerning the Acquisition has been signed and that the purchase price under the share purchase agreement amounts to at least 80 per cent of the deposited amount and that the shareholders have approved the Acquisition at the General Meeting. The funds in the escrow account will also be primarily used for settling possible redemption requests by the shareholders before they can be used to finance the growth of the target company.

The amount of funds deposited on Lifeline SPAC I's escrow account is EUR 105,584,211.36 calculated based on the situation as at 30 June 2024 and before, for example, taxes and certain transaction costs. Negative interest rate will be paid out of the funds deposited in the escrow account and funds resulting from a positive interest rate will be added to the escrow account. The interest rate or costs do not have an effect on the redemption price paid for the shares if a shareholder decides to request the redemption of their series A shares in connection with the Acquisition. The redemption price is the subscription price in the Initial Listing.

According to the escrow agreement, Danske shall not be obligated to assess the correctness or incorrectness or content of Lifeline SPAC I's notifications concerning the release of the funds in the escrow account, and it is entitled to rely on the content of the notifications issued by Lifeline SPAC I and to request additional information or confirmations from Lifeline SPAC I. The escrow bank will release the funds in the escrow account in accordance with the instructions issued to them by Lifeline SPAC I and they are not obliged to assess the validity of the exemption notices. The escrow agreement contains provisions limiting Danske's liability.

Lock-Up Agreements

Lifeline SPAC I's members of the Board of Directors, the Management Team and the Sponsor Committee have on 3 October 2021 committed to transfer restrictions, precluding them from transferring their Lifeline SPAC I's series A shares for 24 months from the completion of the Acquisition. There are also restrictions on converting Lifeline SPAC I's series B shares into series A shares, and the series B shares do not confer right to dividend and distribution of assets or right to distributive share in the event of dissolution of Lifeline SPAC I. The transfer restrictions also apply to all series A shares subscribed for by these parties with the Founder Warrants and Sponsor Warrants and Investor Warrants issued by Lifeline SPAC I.

Litigation, Arbitration Proceedings and Administrative Proceedings

As at the date of this Company Description or in the 12 months preceding the date of this Company Description, Lifeline SPAC I has not been a party to legal, arbitration or administrative proceedings that may have or in the past 12 months has had a significant effect on the financial position or profitability of Lifeline SPAC I, nor is Lifeline SPAC I aware of any such pending or threatened proceedings.

Insurances

Lifeline SPAC I's Management Team believes that the operations and assets of Lifeline SPAC I have been insured in accordance with all legal and contractual requirements applicable to Lifeline SPAC I. However, Lifeline SPAC I cannot guarantee that its insurance coverage will be sufficient to cover all risks related to Lifeline SPAC I's operations. In addition, Lifeline SPAC I has a management liability insurance policy, which includes limitations on compensation and deductibles. In Lifeline SPAC I's opinion, the scope of the management liability insurance policy is in accordance with industry practices and appropriate. General restrictions apply to the insurance policies, due to which they may not necessarily cover all damages incurred.

Related Party Transactions

Parties are considered to be related parties if one party is able to exert control or significant leverage over the other party or joint control over the other party in making financial and business decisions. Lifeline SPAC I's related parties include Lifeline SPAC I's members of the Board of Directors, the Management Team and the Sponsor Committee and their closely related family members and any entities under the control of same. Lifeline SPAC I's related parties also include Lifeline Ventures and any of the subsidiaries, affiliates and funds belonging to its group of companies, because Lifeline Ventures is under the control of some of the Sponsors. All of the parties mentioned above are deemed to exert considerable influence in Lifeline SPAC I as at the date of this Company Description.

Related party transactions have been carried out on arm's length terms. Lifeline SPAC I's related party transactions with the Board of Directors, as well as the CEO and CFO in 2024 primarily comprise the fees payable to the Board of Directors and the Management Team pursuant to the resolution made by the Annual General Meeting on 19 June 2024. For further information on remuneration of the Management Team, see section "*– Administration, Management and Auditors – Management Remuneration and Incentive and Pension Schemes*" below.

Lifeline SPAC I has a lease agreement with a related party, Tehtaankatu Base Ltd. The total rent according to the agreement is EUR 1,000.00 (VAT 0%) per month and the rental period started on 1 October 2021. The members of the Board of Directors of Tehtaankatu Base Ltd are Timo Ahopelto, Petteri Koponen and Juha Lindfors who are also Lifeline SPAC I's Sponsors.

On 5 July 2024, Lifeline SPAC I's Sponsors Timo Ahopelto, Petteri Koponen and Juha Lindfors subscribed for a total of 94,995 new series A shares in a directed issue for a subscription price of EUR 10.00 per share in order to ensure the sufficiency of Lifeline SPAC I's working capital for the completion of the Transaction (for further information, see "*Information on Lifeline SPAC I – Operating and Financial Review – Significant Changes in Results of Operations and Financial Position").*

Regulatory Environment

Lifeline SPAC I is a Finnish public limited liability company subject to the laws of Finland. Lifeline SPAC I's series A shares are listed on the SPAC segment of the regulated market of Nasdaq Helsinki and its purpose is to complete one or more Acquisitions. In Finland, regulations concerning SPACs are mainly contained in the Main Market Rulebook, as SPACs are not specifically addressed in the local legislation.

The Main Market Rulebook has been largely devised considering the comparable rules of Nasdaq's US SPAC market, taking, however, into account the special characteristics of the local markets. The rules governing SPACs contain three key requirements, distinguishing them from other listed companies.

- The requirement concerning an escrow account into which no less than 90 per cent of the proceeds of the Initial Listing are to be deposited. The funds are released in connection with the Acquisition.

- Within three years of the listing, the SPAC must complete one or more acquisitions, whose fair market value must amount to no less than 80 per cent of the funds in the escrow account.

- SPAC's shareholders must have the possibility of submitting a redemption request to the company in connection with the Acquisition for the purposes of reimbursing the invested capital. A SPAC may set a limit on the redemption right that may not, however, be less than 10 per cent of the SPAC's aggregate share capital.

Furthermore, Nasdaq Helsinki's SPAC rules contain more specific provisions stipulating, *inter alia*, that the redemption right must not apply to certain persons acting in the SPAC's managerial positions. Furthermore, after the completion of the Acquisition, the SPAC must initiate a new listing process, ensuring that the combined company meets the listing requirements imposed by Nasdaq Helsinki before it can be approved as a listed company. Consequently, SPACs must satisfy certain minimum requirements in order to be eligible for listing, but, at the same time, for instance the more specific terms and conditions of the initial public offering and the extent of the redemption right may vary considerably.

Different Phases of SPACs

<u>*General on the Process*</u>

The purpose of a SPAC is to complete one or more Acquisitions, through which it can create value for its shareholders as effectively as possible. Although the size, investment strategy and processes of SPACs can vary widely, typically the process often follows a similar structure. The SPAC first preliminarily analyses, depending on, *inter alia*, the investment strategy, a large number of target company candidates and identifies a potential target company, of which the SPAC's management and the Board of Directors will conduct together a thorough analysis and, provided the outcome of the analysis is positive, negotiate the terms of the transaction. In this context, typically a business plan is devised, setting out, among others, a strategy for creating shareholder value. Provided the negotiations progress as planned and an agreement is reached between the SPAC and the vendors of the target company, the SPAC's Board of Directors will make a proposal to the General Meeting of the SPAC on the target company, and the General Meeting will vote on the approval. The majority of the independent members of the Board of Directors must have approved the proposal before it can be presented to the General Meeting.

If the General Meeting approves the acquisition, the SPAC will commence a new listing process to list the combined company and to transfer it from the SPAC segment to the official list or the First North marketplace. The SPAC's shareholders will stay on as owners of the listed combined company. Trading in the SPAC's shares continues throughout the listing process, and the progress of the listing process of the combined company is expected to be reflected in the trading volume.

If the SPAC's General Meeting does not approve the Board of Directors' proposal for the Acquisition or the negotiations do not result in an agreement between the SPAC and the target company's vendors, the SPAC will move on to exploring new potential target companies until a suitable target company is identified. Once a new target company has been identified, the process will start again from the beginning, and the Board of Directors will present the new target company to the General Meeting. If the SPAC is not able to identify a suitable target company in the set time period, the SPAC will be dissolved and the remaining funds will be reimbursed to the SPAC's shareholders (for further information, see section "*– Potential Liquidation of the SPAC and Applying for the Delisting of Shares*" below).

Raising of Capital and Use of Proceeds Raised in the Initial Public Offering

Pursuant to the Main Market Rulebook, a SPAC must complete one or more Acquisitions within 36 months of the first day of trading in the SPAC's shares or within a shorter period of time indicated by the SPAC in its prospectus. In the initial public offering, securities are offered to the public on the basis of the information contained in the prospectus. Typically, a SPAC will issue shares offering investors the immediate right to exercise rights in the SPAC conferred by the share, as well as, potentially, warrants, entitling to the subscription of new shares following the completion of the Acquisition. It is usually possible to trade in both securities independently of one another. The issuance of warrants may occur either prior to the Acquisition or not until the completion of the Acquisition.

The Main Market Rulebook stipulates that the SPAC must deposit a minimum of 90 per cent of the gross proceeds from the initial public offering in an escrow account, where the funds will be retained for the purposes of Acquisitions. This will ensure that the proceeds raised from investors in the initial public offering are used to fund the Acquisition sought by the SPAC or the development of the target company, in an effort to facilitate value creation for investors. In addition, a SPAC typically raises separate working capital that it uses to ensure the continuation of its operations until the completion of the Acquisition. While it is possible to utilise the unrestricted capital raised in the initial public offering (funds other than those deposited in the escrow account) as working capital, more typically, risk capital separately raised from the sponsors is used for this purpose. In this case, the capital raised in the initial public offering will remain in the escrow account in full.

The Main Market Rulebook also requires for the aggregate fair market value of the Acquisitions to equal no less than 80 per cent of the capital deposited in an escrow account in connection with an initial public offering in order for the SPAC to meet the listing criteria and remain listed on Nasdaq Helsinki. The rules do not require for the funds in the escrow account to be utilised in connection with the Acquisition: they can also be used to develop the target company's business operations.

Identifying a Potential Target Company

The objective of SPACs is to identify one, or possibly more, unlisted target companies, following the Acquisition of which the SPAC may be admitted to trading on a regulated market or a multilateral trading facility (outside the SPAC segment). At its discretion, a SPAC may determine the strategy for the identification of the target company already in connection with the initial public offering, for example in terms of the desired industry sector. A SPAC will typically leverage its Board of Directors' and sponsors' expertise and contact network to reach out to owners, entrepreneurs and senior management of listed and unlisted companies, consultants and other financial professionals in order to identify target companies whose profiles meet the SPAC's criteria.

The SPAC's management team and possible sponsors present the Board of Directors with potential target companies, among which the Board of Directors will make its decision on the final target company, which the Board of Directors will submit to the General Meeting for approval. Before the proposal may be submitted to the General Meeting for approval, the majority of the independent members of the Board of Directors must have approved the target company.

Once the SPAC has identified a potential target company, it must pursuant to the Main Market Rulebook notify Nasdaq Helsinki of the matter as soon as possible prior to the publication of the Acquisition. Following the publication, the shares of the SPAC will be transferred to the observation segment of Nasdaq Helsinki in order to draw the investors' attention to the changes occurring within the SPAC.

Resolution of the General Meeting

Pursuant to the Main Market Rulebook, prior to completion of the Acquisition, the Board of Directors of the SPAC must obtain the General Meeting's approval for the Acquisition with a majority resolution, in other words the Acquisition must be supported by no less than one half of the votes cast at the General Meeting. Furthermore, certain methods of completion of the Acquisition require a qualified majority decision stipulated under the Finnish Companies Act, in other words the approval of the Acquisition must be supported by no less than two thirds of the votes cast and the shares represented at the General Meeting. This allows the shareholders to influence the choice of target company. If the General Meeting does not approve the proposed Acquisition, the Acquisition will not take place and the SPAC will start seeking for a new target company. The SPAC's Board of Directors may also seek to renegotiate the terms of the Acquisition, in which case the same target company would be presented again to the General Meeting for approval.

Right to Require Redemption

Pursuant to the Main Market Rulebook, a SPAC's Articles of Association must grant the shareholders the right to have their shares redeemed, once the General Meeting has approved the Acquisition. The SPAC may impose a limit on the shareholders' redemption right. The limit cannot be less than 10 per cent of the SPAC's aggregate share capital. Shareholders also have the right to require redemption of all their shares in order to safeguard their investment in the initial public offering. Typically, the right to require redemption is tied to the General Meeting having resolved to approve the Acquisition and, sometimes, also to the shareholder requiring redemption having voted against the approval of the Acquisition. The right to require redemption may also be conditional on other requirements, such as, the completion of the Acquisition and on Nasdaq Helsinki confirming that the combined company to be formed meets the listing requirements. For further information on the right to require redemption, see section "*Shareholders' Rights – Special Redemption Condition for Series A Shares in accordance with the Articles of Association*".

Pursuant to the Main Market Rulebook, the right to require redemption does not apply to persons who are members of the Board of Directors of the SPAC, management of the SPAC, founding shareholders of the SPAC, a spouse or cohabitant of any above-mentioned person, a person who is under custody of any above-mentioned person or a legal person over which any above-mentioned person exercises control.

The use of the right described above may require active measures within the set time frame from shareholders requiring redemption. This may entail, for example, instructing the shareholder's book-entry account operator according to instructions given to shareholders.

Stock Exchange Review Process and the Company Description

Once a SPAC has entered into an agreement concerning an Acquisition, the SPAC must, pursuant to the Main Market Rulebook, initiate a new listing process as soon as possible, in order to be able to complete the Acquisition (provided that the General Meeting has first approved the Acquisition). As the listing process requires the preparation of a company description, the company description must also be submitted for the approval of Nasdaq Helsinki.

Provided Nasdaq Helsinki approves the SPAC's listing application, the SPAC's share will be transferred from the SPAC segment of the regulated market to the official list or the First North marketplace. For the duration of the review process, the SPAC's share will be transferred to Nasdaq Helsinki's observation segment, and during this period, trading in the SPAC's listed shares will continue as normal. The observation segment entry will be removed once Nasdaq Helsinki has completed its assessment of whether the SPAC meets the listing criteria. The combined company must, therefore, meet the listing criteria of the Main Market and be approved by the Nasdaq Helsinki Listing Committee, or meet the listing criteria of the First North marketplace, before the Acquisition can be completed and the combined company can be assured of the continuation of the listing of its share. The Main Market Rulebook provides that Nasdaq Helsinki may resolve on discontinuing trading in the share if the listing requirements are not met. The stock exchange reviews the prerequisites for the listing similarly to a standard listing process.

The review process as a whole is expected to take two to three months, and it can be, on a case-by-case basis, partially carried out before the approval of the General Meeting.

Completion of the Acquisition

Following the fulfilment of the terms and conditions of the Acquisition agreement concluded with the vendors of the target company, and after the Acquisition has been approved at the General Meeting of the SPAC and by Nasdaq Helsinki, the SPAC will get title to the shares or business of the target company, or a merger can be executed. The time required for the completion of the Acquisition depends on the manner in which the Acquisition will be completed, which is decided in connection with the Acquisition process.

The completion of the Acquisition itself by a SPAC corresponds in many ways to a normal acquisition made by a listed company, with, however, the SPAC structure being associated with certain specific characteristics. Firstly, the SPAC has raised capital in the initial public offering for completing an Acquisition or for another specified purpose in connection with the Acquisition. On the other hand, the SPAC can utilise the funds in the escrow account only if the Acquisition is completed and approved at the General Meeting of the company and by Nasdaq Helsinki. Therefore, a SPAC typically cannot undertake a condition that would trigger the obligation to pay a portion of the purchase price (breakup fee) to the vendors of the target company in the event the Acquisition is cancelled. Furthermore, the SPAC must also consider in the negotiations that if a large number of shareholders decides to exercise their right to require redemption, this might jeopardise the completion of the Acquisition. The Acquisition may, however, be financed also with funds other than those in the escrow account, such as debt financing. In SPAC Acquisitions, it is typical for at least a portion of the purchase price to be payable with share consideration. In that case, the shares of the target company are transferred to the SPAC and the SPAC will issue new shares in a directed share issue to the target company's shareholders.

In connection with the completion of the Acquisition, the SPAC must also consider possible delays in obtaining necessary approvals from the General Meeting, Nasdaq Helsinki and from any other parties. Significant delays in negotiations may lessen the SPAC's attractiveness as a negotiating partner for an Acquisition. A SPAC must complete the Acquisition within 36 months of the date of admission to trading, or a shorter period that the SPAC specifies in its prospectus, or else the SPAC will be placed into liquidation. As the negotiating partners are also aware of this deadline, this may in certain cases impair the SPAC's bargaining position.

Typically trading in the SPAC's listed share will continue normally throughout the duration of the Acquisition process, which may be impacted, for instance, by any approvals required from the local competition authorities, as well as the other regulatory risks and financing.

Potential Liquidation of the SPAC and Applying for the Delisting of Shares

Pursuant to the Main Market Rulebook, a SPAC must, within 36 months of being admitted to trading or within a shorter period of time specified in the SPAC's prospectus, complete one or more Acquisitions corresponding to no less than 80 per cent of the capital placed by the SPAC in an escrow account in connection with the initial public offering. In the event the SPAC is unable to complete an Acquisition within the set time period, it will be placed into liquidation, its assets and liabilities will be distributed between its shareholders and creditors and trading in its listed shares will cease. Typically, the provision concerning the liquidation proceedings must be included in the SPAC's Articles of Association. The placing of the SPAC into liquidation is resolved upon at the General Meeting in accordance with the Articles of Association. The SPAC's Board of Directors is obligated to convene a General Meeting to resolve on the liquidation proceedings as soon as possible if no Acquisition is completed within 36 months, or any shorter time period stipulated by the SPAC's prospectus. If the SPAC is placed into liquidation, the liquidation proceedings are carried out in accordance with the provisions of the Finnish Companies Act governing the dissolution of companies.

The Finnish Companies Act stipulates that the resolution on placing the company into liquidation must be made at the General Meeting by a qualified majority, in addition to which the qualified majority of the votes cast and the shares represented at the meeting for each share class must be in support of placing the company into liquidation. The resolution is registered in the Finnish Trade Register and the liquidator replaces the company's Board of Directors and the CEO for the duration of the liquidation proceedings and is responsible for winding down the operations. The liquidator, together with the Board of Directors and the CEO, prepares financial statements for the time period for which no financial statements have previously been prepared, and an auditor must audit the financial statements. The principles of asset distribution or other commitments of the SPAC must be described in the Articles of Association for them to be taken into consideration in the liquidation proceedings. The company is deemed dissolved once the liquidator has presented the final settlement at the General Meeting. The settling of assets and liabilities takes typically five months and the validity period of the public summons to creditors three months. In case disputes arise in the process in relation to the asset distribution and liabilities, the process may last longer.

If the General Meeting were to reject the proposal for the placement into liquidation, a shareholder may file a complaint against the resolution of the General Meeting by bringing an action for annulment in a competent court in accordance with the Finnish Companies Act, just like any other legally incorrect resolution of a General Meeting. The court may then declare the resolution of the General Meeting annulled or undertake action to alter the resolution of the General Meeting so as to accord with the Articles of Association, whereafter the liquidation proceedings will continue as if the resolution concerning the liquidation proceeding had in the first place been made in accordance with the Articles of Association. The right to bring an action for annulment is not subject to the shareholder having participated in the General Meeting or voted against the resolution at the same. The action for annulment must be brought within three months of the resolution of the General Meeting.

Lifeline SPAC I's Articles of Association stipulate that if the Acquisition has not been approved in a General Meeting within 24 months of the date when the shares of the company have been admitted to trading on the SPAC segment of the regulated market of Nasdaq Helsinki, the Board of directors of the company shall be obligated to convene a General Meeting to decide on whether to grant an additional period of 12 months for the approval of the Acquisition. If a General Meeting decides on not to grant additional time for approval of the Acquisition, the Board of Directors shall be obligated to convene a General Meeting to decide on placing the company into liquidation. In this situation, the General Meeting shall be obligated to approve the proposal of placing the company into liquidation and decide on placing the company into liquidation. If a General Meeting has decided on granting additional time for the approval of the Acquisition and no Acquisition has been approved in a General Meeting and completed within 36 months of the date when the shares of the company have been admitted to trading on the SPAC segment of the regulated market of Nasdaq Helsinki, the Board of Directors of the company shall be obligated to approve the proposal of placing the company into liquidation and decide on placing the company into liquidation.

On 26 June 2023, Lifeline SPAC I's Annual General Meeting resolved to grant an additional period of 12 months, until 15 October 2024, for the approval of the Acquisition.

Lifeline SPAC I as a SPAC

The rationale behind SPACs, their market, SPACs as an investment, the regulation governing them and the different phases of SPACs in general have been described above. However, it is typical of SPACs that the company's structure and operation can comprise of various elements. This section summarises the specific characteristics of Lifeline SPAC I as a SPAC.

Information to Be Provided to the EGM on Canatu and the Transaction

Lifeline SPAC I has prepared this Company Description, which describes the key details of the Transaction so that the shareholders of Lifeline SPAC I can make an informed decision on the approval of the Transaction at the EGM. In addition, Lifeline SPAC I has published a comprehensive release on the Transaction and Canatu. The information disclosed in the release and in this Company Description covers the consideration to be paid to the Sellers of Canatu, information on the Consideration Shares and directed share issue and other material information about Canatu, the reasons for the Transaction, timetable and financing methods and effects on Lifeline SPAC I and a description of the risk factors related to the Transaction, of Canatu's business, target markets, financial information, organisation structure and governance, shares and changes in the number of shares and share capital, largest shareholders as well as of other relevant information for investors including the effects of the Transaction on Lifeline SPAC I's results of operations and financial position.

Use of Proceeds Raised in the Initial Listing and Right to Require Redemption of Shares

Lifeline SPAC I has deposited all proceeds raised in the Initial Listing in Lifeline SPAC I's escrow account and financed its working capital needs prior to the EGM deciding on the Transaction with capital investments made by Lifeline SPAC I's members of the Board of Directors, the Management Team and the Sponsor Committee. Lifeline SPAC I also offers all eligible shareholders, under certain conditions, the opportunity to require the redemption of their series A shares if the shareholder votes against the Transaction at the EGM (for further information, see section "*Shareholders' Rights – Special Redemption Condition for Series A Shares in Accordance with the Articles of Association*"). The right to require redemption of shareholding does not apply to persons who do not have this right under the Main Market Rulebook (for further information, see section "*– Different Phases of SPACs – Right to Require Redemption*" above).

If Lifeline SPAC I does not complete the Transaction or find another target company and Lifeline SPAC I is placed into liquidation, Lifeline SPAC I's members of the Board of Directors, the Management Team and the Sponsor Committee will not be entitled to Lifeline SPAC I's distributive share in respect of series B shares in the event of dissolution, as stipulated in Lifeline SPAC I's Articles of Association, and in respect of 94,995 series A shares subscribed for by Lifeline SPAC I's Sponsors Timo Ahopelto, Petteri Koponen and Juha Lindfors on 5 July 2024 ("*– Significant Changes in Results of Operations and Financial Position*" below).

With these measures, Lifeline SPAC I seeks to protect the proceeds raised in the Initial Listing until the EGM deciding on the Transaction. The funds deposited in the escrow account in the Initial Listing will be used after the completion of the Transaction for listing the Combined Company to the First North marketplace and for developing and expanding the Combined Company's operations.

Investor Warrants

Lifeline SPAC I offers shareholders of Lifeline SPAC I the opportunity to subscribe for additional series A shares in Lifeline SPAC I with Investor Warrants in the event that the Transaction is successfully completed. The Investor Warrants are offered in proportion to the holdings of series A shares to those shareholders who do not require redemption of their holdings in connection with the Transaction. The Investor Warrants are to be applied for trading in connection with the Transaction, in which case the holder may choose whether to sell the Investor Warrants or use them to subscribe for new series A shares in Lifeline SPAC I (for further information on the terms and conditions of the Investor Warrants, see section "*The Transaction and the Transaction Agreement – Investor Warrants – Series 2021-C*"*).*

Completion of the Transaction with Share Consideration

Lifeline SPAC I carries out the Transaction with share consideration, so that the proceeds raised in the Initial Listing can be utilised to as large extent as possible to support the Combined Company's business in order to implement its strategy, finance its capital needs and to expand its business.

Operating and Financial Review

The following review of Lifeline SPAC I's results of operations and financial position should be read together with section "Selected Financial Information of Lifeline SPAC I" and Lifeline SPAC I's audited financial statements for the financial years ended 31 December 2023 and 31 December 2022 and for the period from 13 August to 31 December 2021 prepared in accordance with IFRS Accounting Standards and Lifeline SPAC I's unaudited interim financial report as at and for the six months ended 30 June 2024 prepared in accordance with the "IAS 34 – Interim Financial Reporting", all of which are incorporated by reference into this Company Description.

This review includes forward-looking statements, which involve risks and uncertainties. The actual results of operations of Lifeline SPAC I may differ materially from those expressed in such forward-looking statements as a result of factors discussed below and elsewhere in this Company Description, particularly in sections "Risk Factors" and "Certain Matters – Forward-Looking Statements".

Overview

Lifeline SPAC I is a Finnish public limited company with the purpose of making an Acquisition as a SPAC. Trading with Lifeline SPAC I's series A shares began on the SPAC segment of the regulated market of Nasdaq Helsinki on 15 October 2021 after which Lifeline SPAC I has, after the General Meeting held on 26 June 2023 granted an additional period of 12 months, 36 months or until 15 October 2024, for carrying out one or more Acquisitions, the target company of which would be listed on the official list of the regulated market of Nasdaq Helsinki or on the First North marketplace after the Nasdaq Helsinki listing process.

Financial Development

The following review describes the development of Lifeline SPAC I's business performance during the period covered by historical financial information. The comparison of results of operations is based on Lifeline SPAC I's audited financial statements for the financial years ended 31 December 2023 and 31 December 2022 and for the period from 13 August to 31 December 2021 prepared in accordance with IFRS, and the comparison of the results of Lifeline SPAC I's operations for the six months ended 30 June 2024 and 30 June 2023 is based on the unaudited financial information for the six months ended 30 June 2024 prepared in accordance with "IAS 34 – Interim Financial Reporting".

The following table sets forth the key items of Lifeline SPAC I's income statement for the periods indicated.

Income Statement

EUR thousand unless otherwise indicated	For the six months ended 30 June 2024	2023	1 January–31 December 2023	1 January–31 December 2022	13 August–31 December 2021	Change EUR thousand H1 24/23	23/22
	(unaudited)			(audited)		(unaudited)	
Revenue	-	-	-	-	-	-	-
Employee benefit expenses	**-195**	**-195**	**-395**	**-374**	**-6,861**	**-**	**-21**
Share based payments	-	-	-	-	-6,762	-	-
Wages and salaries	-169	-169	-336	-316	-86	-	-20
Social security expenses	-26	-27	-58	-58	-13	1	-
Other operating expenses	-883	-542	-1,034	-289	-129	-341	-745
Operating profit (-loss)	**-1,077**	**-738**	**-1,429**	**-663**	**-6,990**	**-339**	**-766**
Financial income and expenses	**1,992**	**932**	**2,848**	**-889**	**-206**	**1,060**	**3,737**
Interest income and other financial income	2,102	1,416	3,442	373	-	686	3,069
Interest expense and other financial expenses	-110	-484	-595	-1,262	-206	374	667
Profit (-loss) before tax	**915**	**195**	**1,419**	**-1,552**	**-7,196**	**720**	**2,971**
Income taxes	-202	-	-	-	-	-202	-
Result for the financial period	**713**	**195**	**1,419**	**-1,552**	**-7,196**	**518**	**2,971**
Earnings per share							
Basic and diluted earnings per share (EUR) [1]	0.29	0.08	0.57	-0.62	-4.27	0.21	1.19

1) Earnings per share = Result for the financial period / Weighted average number of series B shares during the period. Redeemable series A shares as well as the Founder Warrants and the Sponsor Warrants are not taken into account as dilutive potential ordinary shares in the calculation of earnings per share.

Liquidity and Capital Resources

Overview

Liquidity describes the ability of a company to generate sufficient cash flows to meet the requirements of its business operations, including working capital needs, debt service obligations, capital expenditures, contractual obligations, and other commitments.

As of the Initial Listing, and until the Transaction is completed, Lifeline SPAC I intends to finance its operations through the working capital that Lifeline SPAC I received from the members of the Board of Directors, the Management Team and the Sponsor Committee through subscriptions for series B shares, the Founder Warrants and the Sponsor Warrants (for further information, see section "*– Financial Development*" above). In addition, on 5 July 2024, Lifeline SPAC I's Sponsors Timo Ahopelto, Petteri Koponen and Juha Lindfors subscribed for a total of 94,995 new series A shares in a directed issue for a subscription price of EUR 10.00 per share in order to ensure the sufficiency of Lifeline SPAC I's working capital for the completion of the Transaction (see "*– Significant Changes in Results of Operations and Financial Position*" below). As at the date of this Company Description, Lifeline SPAC I has no current or non-current interest-bearing debt from external financiers, excluding redeemable series A-shares (for further information, see "*Shareholders' Rights – Special Redemption Condition for Series A Shares in Accordance with the Articles of Association*").

<u>Revenue</u>

Typically for a SPAC in the search phase, Lifeline SPAC I has had no revenue.

Employee benefit expenses

Lifeline SPAC I's employee benefit expenses consist of wages and salaries and related social security expenses. In 2021, Lifeline SPAC I's employee benefit expenses also consisted of share-based payments as the members of the Board of Directors, the Management Team and the Sponsor Committee of Lifeline SPAC I subscribed for the Sponsor Warrants, the Founder Warrants and the series B shares, which were treated as share-based payments under IFRS 2 standard.

Employee benefit expenses were EUR 195 thousand for the six months ended 30 June 2024. Employee benefit expenses stayed flat, as compared to the six months ended 30 June 2023.

Employee benefit expenses were EUR 395 thousand, EUR 374 thousand and EUR 6,861 thousand for the financial years ended 31 December 2023 and 31 December 2022 and the period from 13 August to 31 December 2021, respectively. Employee benefit expenses increased by EUR 21 thousand or 5.61 per cent for the financial year ended 31 December 2023 as compared to the financial year ended 31 December 2022, when employee benefit expenses decreased by EUR 6,487 thousand or 94.55 per cent, as compared to the period from 13 August to 31 December 2021.

The increase in employee benefit expenses for the financial year ended 31 December 2023 as compared to the financial year ended 31 December 2022 was due to vacation periods. The decrease in employee benefit expenses for the financial year ended 31 December 2022 as compared to the period from 13 August to 31 December 2021 was mainly due to share-based payments, because in 2021, members of the Board of Directors, the Management Team and the Sponsor Committee of Lifeline SPAC I subscribed for the Sponsor Warrants, the Founder Warrants and the series B shares, which were treated as share-based payments under IFRS 2 standard. Lifeline SPAC I recorded in 2021 a total of EUR 6,762 thousand expenses in share-based payments from the difference between subscription prices and fair values of the Sponsor Warrants, the Founder Warrants and the series B shares.

Other operating expenses

Lifeline SPAC I's other operating expenses consist mainly of professional services related to the search of a target company and administrative services related to Lifeline SPAC I's operations.

Other operating expenses were EUR 883 thousand for the six months ended 30 June 2024. Other operating expenses increased by EUR 341 thousand or 62.92 per cent, as compared to the six months ended 30 June 2023, when other operating expenses were EUR 542 thousand. The increase was mainly due to other operating expenses consisting of professional services related to the search of a target company.

Other operating expenses were EUR 1,034 thousand, EUR 289 thousand and EUR 129 thousand for the financial years ended 31 December 2023 and 31 December 2022 and the period from 13 August to 31 December 2021, respectively. Other operating expenses increased by EUR 745 thousand or 257.79 per cent for the financial year ended 31 December 2023 as compared to the financial year ended 31 December 2022, when other operating expenses increased by 160 thousand or 124.03 per cent, as compared to the period from 13 August to 31 December 2021.

The increase in other operating expenses for the financial year ended 31 December 2023 as compared to the financial year ended 31 December 2022 was due to increased costs in professional services related to the search of a target company. The increase in other operating expenses for the financial year ended 31 December 2022 as compared to the period from 13 August to 31 December 2021 was mainly due to a longer financial period. However, in 2021 other operating expenses also consisted of professional services related to the Initial Listing.

Operating profit (loss)

Operating profit (loss) is the net amount of revenue subtracted by employee benefit expenses and other operating expenses.

Operating profit (loss) was EUR -1,077 thousand for the six months ended 30 June 2024. Operating profit decreased by 339 thousand or 45.94 per cent, as compared to the six months ended 30 June 2023, when operating profit was EUR -738 thousand. The decrease was mainly due to professional services related to the search of a target company.

Operating profit (loss) was EUR -1,429 thousand, EUR -663 thousand and EUR -6,990 thousand for the financial years ended 31 December 2023 and 31 December 2022 and the period from 13 August to 31 December 2021, respectively. Operating profit decreased by EUR 766 thousand or 115.52 per cent for the financial year ended 31 December 2023 as compared to the financial year ended 31 December 2022, when operating profit increased by 6,328 thousand or 90.52 per cent, as compared to the period from 13 August to 31 December 2021.

The decrease in operating profit for the financial year ended 31 December 2023 as compared to the financial year ended 31 December 2022 was due to increased costs in professional services related to the search of a target company. The increase in operating profit for the financial year ended 31 December 2022 as compared to the period from 13 August to 31 December 2021 was mainly due to share-based payments recorded in 2021.

Financial income and expenses

Lifeline SPAC I's financial income and expenses consist mainly of the interest income and expenses related to Lifeline SPAC I's cash reserves and the funds deposited to the escrow account, as well as costs related to its Initial Listing, which have been amortised as costs using the effective interest rate method during the search phase.

Lifeline SPAC I paid negative interest on its deposits up until 26 July 2022. The interest rate on the European Central bank's deposit facility increased from -0.50 percentage to 0.00 percentage on 27 July 2022, from which onwards Lifeline SPAC I has not paid negative interest on its deposits. After July 2022, the European Central Bank continued to raise its interest rates until September 2023. The interest rate on the deposit facility was increased to 4.00 per cent with effect from 20 September 2023. The interest rates stayed unchanged until 6 June 2024, when the Governing Council of the European Central Bank decided to lower the three key European Central Bank interest rates by 25 basis points. The interest rate on the deposit facility was decreased to 3.75 per cent, with effect from 12 June 2024. The latest decision came on 18 July 2024, when the European Central Bank decided to keep the three key European Central Bank interest rates unchanged. Increased interest rates have had a positive impact on Lifeline SPAC I's interest income.

Financial income and expenses were EUR 1,992 thousand for the six months ended 30 June 2024. Financial income increased by EUR 1,060 thousand or 113.73 per cent, as compared to the six months ended 30 June 2023, when financial income was EUR 932 thousand. The increase was mainly due to increased interest rates.

Financial income and expenses were EUR 2,848 thousand, EUR -889 thousand and EUR -206 thousand for the financial years ended 31 December 2023 and 31 December 2022 and the period from 13 August to 31 December 2021, respectively. Financial income and expenses increased by EUR 3,737 thousand or 420.25 per cent for the financial year ended 31 December 2023 as compared to the financial year ended 31 December 2022, when financial income and expenses decreased by EUR 683 thousand or 331.55 per cent, as compared to the period from 13 August to 31 December 2021.

The increase in financial income and expenses for the financial year ended 31 December 2023 as compared to the financial year ended 31 December 2022 was due to increased interest rates. The decrease in financial income and expenses for the financial year ended 31 December 2022 as compared to the period from 13 August to 31 December 2021 was mainly due to a longer financial period.

Result for the financial period

Result for the financial period was EUR 713 thousand for the six months ended 30 June 2024. Result for the financial period increased by EUR 518 thousand or 265.64 per cent, as compared to the six months ended 30 June 2023, when result for the financial period was EUR 195 thousand. The increase was mainly due to increased financial income caused by increased interest rates.

Result for the financial period was EUR 1,419 thousand, EUR -1,552 thousand and EUR -7,196 thousand for the financial years ended 31 December 2023 and 31 December 2022 and the period from 13 August to 31 December 2021, respectively. Result for the financial period increased by EUR 2,971 thousand or 191.43 per cent for the financial year ended 31 December 2023 as compared to the financial year ended 31 December 2022, when profit for the financial period increased by 5,644 thousand or 78.43 per cent, as compared to the period from 13 August to 31 December 2021.

The increase in result for the financial period for the financial year ended 31 December 2023 as compared to the financial year ended 31 December 2022 was due to increased financial income caused by increased interest rates. The increase in profit for the financial period for the financial year ended 31 December 2022 as compared to the period from 13 August to 31 December 2021 was mainly due to share-based payments in 2021.

Lifeline SPAC I's earnings per share (basic and diluted) are calculated as result for the financial period divided by weighted average number of series B shares during the period. Redeemable series A shares as well as the Founder Warrants and the Sponsor Warrants are not taken into account as dilutive potential ordinary shares in the calculation of earnings per share. The average weighted number of series B shares during the financial period 13 August – 31 December 2021 was 1,685,616. During the periods 1 January – 30 June 2024, 1 January – 31 December 2023, 1 January – 31 December 2022 and 1 January – 30 June 2023, the average weighted number of series B shares was 2,500,000.

Earnings per share were EUR 0.29 for the six months ended 30 June 2024. Earnings per share increased by EUR 0.21 or 262.5 per cent, as compared to the six months ended 30 June 2023, when earnings per share were EUR 0.08.

Earnings per share were EUR 0.57, EUR -0.62 and EUR -4.27 for the financial years ended 31 December 2023 and 31 December 2022 and the period from 13 August to 31 December 2021, respectively. Earnings per share increased by EUR 1.19 or 191.94 per cent for the financial year ended 31 December 2023 as compared to the financial year ended 31 December 2022, when earnings per share increased by EUR 3.65 or 85.48 per cent, as compared to the period from 13 August to 31 December 2021.

Lifeline SPAC I's return on equity is calculated as result for the financial period divided by shareholders equity (average).

Return on equity was 17.2 per cent for the six months ended 30 June 2024. Return on equity increased by 9.3 percentage points or 117.72 per cent, as compared to the six months ended 30 June 2023, when return on equity was -7.9 per cent.

Return on equity was -45.9, -45.8 and -366.2 per cent for the financial years ended 31 December 2023 and 31 December 2022 and the period from 13 August to 31 December 2021, respectively. Return on equity was increased by 91.7 percentage points or 200.22 per cent for the financial year ended 31 December 2023 as compared to the financial year ended 31 December 2022, when operating profit increased by 320.4 percentage points or 87.49 per cent, as compared to the period from 13 August to 31 December 2021.

Balance Sheet

The following table presents Lifeline SPAC I's balance sheet as at 30 June 2024, 31 December 2023 and 31 December 2022:

	As at 30 June	As at 31 December			Change	
EUR thousand	**2024**	**2023**	**2022**	**2021**	**Jun 24/Dec 23**	**23/22**
	(unaudited)		**(audited)**		**(unaudited)**	
Assets						
Non-current assets						
Other receivables	-	-	-	100,000	-	-
Total non-current assets	**-**	**-**	**-**	**100,000**	**-**	**-**
Current assets						
Other receivables	105,603	103,544	100,080	125	2,059	3,464
Accrued income	61	30	35	89	31	-5
Cash and cash equivalents	132	418	1,581	2,034	-286	-1,163
Total current assets	**105,795**	**103,992**	**101,696**	**2,248**	**1,803**	**2,296**
Total assets	**105,795**	**103,992**	**101,696**	**102,248**	**1,803**	**2,296**
Equity and liabilities						
Equity						
Issued capital	80	80	80	80	-	-
Reserve for invested unrestricted equity	4,285	4,285	4,285	4,285	-	-
Retained earnings	145	-568	-1,986	-435	713	1,418
Total equity	**4,510**	**3,797**	**2,378**	**3,930**	**713**	**1,419**
Non-current liabilities						
Other financial liabilities (redeemable shares)	-	-	-	65,508	-	-
Total non-current liabilities	**-**	**-**	**-**	**65,508**	**-**	**-**
Current liabilities						
Other financial liabilities (redeemable shares)	99,936	99,826	99,231	32,754	110	595
Accounts payable and other liabilities	1,350	369	86	56	981	283
Total current liabilities	**101,285**	**100,195**	**99,318**	**32,810**	**1,090**	**877**
Total liabilities	**101,285**	**100,195**	**99,318**	**98,318**	**1,090**	**877**
Total equity and liabilities	**105,795**	**103,992**	**101,696**	**102,248**	**1,803**	**2,296**

Total equity and liabilities

Lifeline SPAC I's balance sheet total on 31 December 2021 was EUR 102,248 thousand. The EUR 100 million proceeds raised from the issue of series A shares in the Initial Listing on 14 October 2021 were deposited in an escrow account and are, therefore, presented in other receivables in Lifeline SPAC I's balance sheet. Series A shares are financial instruments subject to IAS 32 and, due to the redemption clause included in them, the share subscription prices have been recognized in current and non-current financial liabilities and measured at amortised cost using the effective interest rate method.

Lifeline SPAC I's balance sheet total on 31 December 2022 was EUR 101,696 thousand. The amortised cost had been recorded as the current debt of Lifeline SPAC I considering that Lifeline SPAC I's 24-month period for closing the Acquisition was expiring in October 2023. Lifeline SPAC I's balance sheet total on 30 June 2023 was EUR 102,713 thousand. The Annual General Meeting held on 26 June 2023 resolved to grant an additional period of 12 months, until 15 October 2024, for the approval of the Acquisition, but as the Acquisition may be completed within 12 months from 30 June 2023, 1/3 of the amortised cost were recorded as current debt of Lifeline SPAC I and 2/3 as non-current debt of Lifeline SPAC I.

Lifeline SPAC I's balance sheet total on 31 December 2023 was EUR 103,992 thousand and on 30 June 2024 EUR 105,795 thousand. Considering that Lifeline SPAC I's 36-month period for closing the Acquisition expires in 15 October 2024, the amortised cost has been recorded as the current debt of Lifeline SPAC I.

Cash and cash equivalents

As at 31 December 2021, Lifeline SPAC I's cash and bank receivables were EUR 2,034 thousand, as at 31 December 2022 EUR 1,581 thousand, as at 31 December 2023 EUR 418 thousand and as at 30 June 2024 EUR 132 thousand. On 5 July 2024, Lifeline SPAC I's Sponsors Timo Ahopelto, Petteri Koponen and Juha Lindfors subscribed for a total of 94,995 new series A shares in a directed issue for a subscription price of EUR 10.00 per share in order to ensure the sufficiency of Lifeline SPAC I's working capital for the completion of the Transaction.

Statement of Cash Flows

As Lifeline SPAC I was established on 13 August 2021 and has not yet conducted any operational activities, there is no relevant information to report from Lifeline SPAC I's cash flow analysis. Lifeline SPAC I's only activities since it was established have been activities relating to the organisation of the management necessary to prepare Lifeline SPAC I for a listing on Nasdaq Helsinki and activities relating to evaluation and potential completion of the Acquisition and subsequent listing process at Nasdaq Helsinki.

The following table sets forth Lifeline SPAC I's cash flows for the periods indicated:

EUR thousand	For the six months ended 30 June 2024	For the six months ended 30 June 2023	1 January–31 December 2023	1 January–31 December 2022	13 August–31 December 2021
	(unaudited)			(audited)	
Cash flow from operating activities					
Profit (loss) before tax	915	195	1,419	-1,552	-7,196
Share based payments (personnel expenses)	-	-	-	-	6,762
Other adjustments[1]	110	484	595	969	206
Adjustment of interest charged on escrow account	-	-	-	287	-
Adjustment of interest accrued on escrow account	-2,097	-1,397	-3,408	-367	-
Change in working capital	786	301	231	209	-158
Total cash flow from operating activities	**-286**	**-417**	**-1,163**	**-453**	**-387**
Cash flow from investment activities	-	-	0	0	0
Total cash flow from investment activities	**0**	**0**	**0**	**0**	**0**
Cash flow from financing activities					
Issue – Establishment of the company	-	-	-	-	0.025
Issue – A-series shares	-	-	-	-	100,000
Issue – B-series shares	-	-	-	-	100
Issue – founder warrants	-	-	-	-	11
Issue – sponsor warrants	-	-	-	-	4,254
Share issue expenses	-	-	-	-	-1,944
Transfer to escrow account	-	-	-	-	-100,000
Total cash flow from financing	**-**	**-**	**-**	**-**	**2,421**
Change in cash and cash equivalents	**-286**	**-417**	**-1,163**	**-453**	**2,034**
Change in cash and cash equivalents at the beginning of the period	418	1,581	1,581	2,034	-
Change in cash and cash equivalents at the end of the period	132	1,164	418	1,581	2,034
Change	**-286**	**-417**	**-1,163**	**-453**	**2,034**

[1] Other adjustments consist of amortised financial expenses

Lifeline SPAC I's cash flow from operating activities totalled EUR -286 thousand and EUR -417 thousand for the six months ended 30 June 2024 and 2023, respectively. Lifeline SPAC I's cash flow from operating activities totalled EUR -1,163 thousand EUR -453 thousand and EUR -387 thousand for the financial years ended 31 December 2023 and 31 December 2022 and for the period from 13 August to 31 December 2021, respectively.

Lifeline SPAC I has had no cash flow from investment activities.

Lifeline SPAC I's cash flow from financing activities for the financial period 13 August – 31 December 2021 totalled EUR 2,421 thousand, consisting of proceeds raised through the Initial Listing, deposit to the escrow account, proceeds raised through subscriptions for the Sponsor Warrants and the Founder Warrants and series B shares by Lifeline SPAC I's members of the Board of Directors, the Management Team and the Sponsor Committee, as well as the costs of the share issue in the Initial Listing. There was no cash flow from financing activities during periods of 1 January – 30 June 2024, 1 January – 31 December 2023, 1 January – 30 June 2023 and 1 January – 31 December 2022.

Lifeline SPAC I's equity ratio is calculated as shareholders' equity divided by subtraction of balance sheet total and advance payments received. Lifeline SPAC I's equity ratio as at 30 June 2024 was 4.3 per cent, as at 31 December 2023 3.7 per cent, as at 30 June 2023 2.5 per cent, as at 31 December 2022 2.3 per cent and as at 31 December 2021 3.8 per cent.

Lifeline SPAC I's shareholders' equity per share is calculated as equity divided by number of series B shares at the end of the financial period (2,500,000). Lifeline SPAC I's shareholders' equity per share as at 30 June 2024 was EUR 1.80, as at 31 December 2023 EUR 1.52, as at 30 June 2023 EUR 1.03, as at 31 December 2022 EUR 0.95 and as at 31 December 2021 EUR 1.57.

Statement of Changes in Equity

EUR thousand	**Share capital**	**Reserve for invested unrestricted equity**	**Retained earnings**	**Total equity**
As at 13 August 2021................	**0**	**0**	**0**	**0**
Issues of shares (B-series) and warrants.....................................	80	4,285	0	4,365
Share based payments..............	0	0	6,762	6,762
Result for the period	0	0	-7,196	-7,196
As at 31 December 2021...........	**80**	**4,285**	**-435**	**3,930**
As at 1 January 2022	**80**	**4,285**	**-435**	**3,930**
Result for the period	0	0	-1,552	-1,552
As at 31 December 2022...........	**80**	**4,285**	**-1,986**	**2,378**
As at 1 January 2023	**80**	**4,285**	**-1,986**	**2,378**
Result for the period	0	0	1,419	1,419
As at 31 December 2023...........	**80**	**4,285**	**-568**	**3,797**
As at 1 January 2024	80	4,285	-568	3,797
Result for the period	**0**	**0**	**713**	**713**
As at 30 June 2024....................	80	4,285	145	4,510

Investments

Lifeline SPAC I has not made any investments historically and has no ongoing investments. Lifeline SPAC I has neither made any firm commitments for future investments between 30 June 2024 and the date of this Company Description. However, Lifeline SPAC I intends to complete the Transaction in accordance with what is stated in this Company Description. For further information, see section "*The Transaction and the Transaction Agreement*".

Future Outlook

Taken the nature of Lifeline SPAC I's activities as a SPAC, Lifeline SPAC I has not issued any specific guidance or other future outlook.

Trends and Events Following the Close of the Financial Year

Since 31 December 2023, there are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on Lifeline SPAC I's prospects beyond what is stated in sections "*Risk Factors*" and "*Information on Lifeline SPAC I*". Note "Events after the reporting period" in Lifeline SPAC I's financial statements describes the significant events that have followed the financial year ended on 31 December 2023. Apart from the generally predicted decrease in interest rates, Lifeline SPAC I is not aware of any other public, financial, tax, monetary or other political measures that, directly or indirectly, would have a significant impact on or that could materially affect Lifeline SPAC I's business.

Significant Changes in Results of Operations and Financial Position

Lifeline SPAC I signed the Transaction Agreement with Canatu on 5 July 2024. For further information, see section "*The Transaction and the Transaction*".

On 5 July 2024, Lifeline SPAC I's Sponsors Timo Ahopelto, Petteri Koponen and Juha Lindfors subscribed for a total of 94,995 new series A shares in a directed issue for a subscription price of EUR 10.00 per share in order to ensure the sufficiency of Lifeline SPAC I's working capital for the completion of the Transaction. The Sponsors who subscribed for shares have committed (i) to waiving their right to distribution of assets prior to the completion of the Transaction that they would be entitled to by virtue of the series A shares subscribed for by such Sponsors and (ii) to delivering to Lifeline SPAC I these series A shares held by them without consideration if Lifeline SPAC I is placed into liquidation or in bankruptcy prior to the completion of the Transaction. In the same context, Lifeline SPAC I's Board of Directors decided to raise the maximum number of Investor Warrants to be issued from 3,333,333 Investor Warrants to 3,364,998 Investor Warrants in order to ensure that there will be enough available Investor Warrants to all holders of series A shares after the new series A shares have been issued.

Notwithstanding the above, in Lifeline SPAC I's view, there has been no significant change in its results of operations or financial position between 30 June 2024 and the date of this Company Description.

Administration, Management and Auditors

General

Pursuant to the provisions of the Finnish Companies Act and Lifeline SPAC I's Articles of Association, the management and control of Lifeline SPAC I is divided between the shareholders, the Board of Directors and the CEO. In addition, the Management Team assists the CEO in the development and operational management of Lifeline SPAC I's business operations.

Lifeline SPAC I's shareholders exercise control over Lifeline SPAC I at General Meetings. Under Lifeline SPAC I's Articles of Association, the Annual General Meeting must be held annually within six months of the end of the financial year. The Finnish Companies Act and Lifeline SPAC I's Articles of Association define the matters to be discussed at the Annual General Meeting.

The shareholders participate in the administration and management of Lifeline SPAC I through decisions made at General Meetings. In addition, a General Meeting must he held pursuant to the Finnish Companies Act when requested in writing by the auditor of Lifeline SPAC I or by shareholders representing at least one tenth of all the issued Shares for the purposes of addressing a specified matter.

Board of Directors and the Management Team

Board of Directors

The Board of Directors has a general responsibility for Lifeline SPAC I's governance and the appropriate organisation of operations. The Board of Directors has approved written rules of procedure that define the matters within the Board of Directors' responsibility. The Board of Directors affirms the principles of Lifeline SPAC I's strategy, organisation, accounting and controlling the management of assets and appoints the CEO of Lifeline SPAC I. The CEO is responsible for carrying out the strategy of Lifeline SPAC I and for day-to-day administration based on the instructions and orders issued by the Board of Directors.

Lifeline SPAC I's Board of Directors does not have a separate audit committee or remuneration committee, but the Board of Directors is responsible for the proper preparation and performance of these duties. These duties include overseeing Lifeline SPAC I's financial reporting, risk management and related party transactions. In addition, these duties involve tasks related to the selection of the auditor and the assessment of the auditor's independence along with overseeing the audit process. These tasks also include preparing proposals for the remuneration and election of the Board of Directors for the General Meeting.

Lifeline SPAC I's Board of Directors consists of a minimum of five and maximum of eight ordinary members. The term of office of the members of the Board of Directors expires at the end of the Annual General Meeting of shareholders following their election. The Board of Directors elects a Chair from among its members for the duration of its term of office. According to the Articles of Association of Lifeline SPAC I, the Sponsors and CEO

Tuomo Vähäpassi have the right to appoint two of the five members of the Board of Directors until the Acquisition and for two years thereafter.

The Board of Directors has five members as at the date of this Company Description:

Name	Year of Birth	Position	Board Member Since
Timo Ahopelto	1975	Chair	2021
Alain-Gabriel Courtines	1971	Vice Chair	2021
Caterina Fake	1968	Board Member	2021
Irena Goldenberg	1979	Board Member	2021
Petteri Koponen	1970	Board Member	2021

Timo Ahopelto has served as member and as Chair of Lifeline SPAC I's Board of Directors since 2021. In addition, Ahopelto has served as founding partner of Lifeline Ventures since 2009, Chair of the Board of Lifeline Ventures GP V Oy since 2023, Chair of the Board of Directors of LLV Fund Management Ltd and Lifeline Ventures GP IV Oy since 2019, member of the Board of Directors of Lifeline Ventures GP III Ltd and Chair of the Board of Directors of Lifeline Ventures GP II Ltd since 2017, and member of the Board of Directors of Lifeline Ventures GP I Ltd and deputy member of the Board of Directors of Lifeline Ventures Fund Management Ltd since 2012. Ahopelto has been Chair of the Board of Directors of TimeGate Instruments Ltd and member of the Board of Directors of Sensofusion Inc. and DEEP Measures Oy since 2024, Chair of the Board of Directors of Hardhat Oy and Steady Energy Oy and member of the Board of Directors of Nokia Corporation, Seaber Ltd, Origin by Ocean Oy and Ambio Oy since 2023, member of the Board of Directors of Droppe Ltd and Järvenpää Ventures Oy since 2022, member of the Board of Directors of Flowrite Oy since 2021, member of the Board of Directors of Koherent Oy, Human Engineering Health Oy Inc. and Veri since 2020, member of the Board of Directors of the Private Entrepreneurs Foundation sr since 2019, member of the Board of Directors of Solidium Oy since 2017, member of the Board of Directors of Digital Workforce Services Plc since 2016 of which in 2016–2022 as Chair, member of the Board of Directors of Dispelix Ltd and Oura Health Ltd since 2016, member of the Board of Directors of Finnish Business and Policy Forum (EVA) ry and Economic Research (ETLA) ry since 2015, member of the Board of Directors of the Innovation Committee of the University of Helsinki since 2014, member of the Board of Directors of TILT Biotherapeutics Ltd since 2013, member of the Board of Directors of Norsepower Oy Ltd since 2013 of which in 2013–2023 Chair, member of the Board of Directors of ArcDia International Oy Ltd since 2012, member of the Board of Directors of Tehtaankatu Base Ltd since 2010 of which since 2016 Chair, and CEO and member of the Board of Directors of TA Ventures Ltd, a company controlled by Ahopelto, since 2009. Previously, Ahopelto has served as member of the Board of Directors of the Finnish Sports Support Foundation and P2X Solutions Ltd in 2021–2024, member of the Board of Directors of Maplet Oy in 2019–2023, member of the Board of Directors of Medix Biochemica Group Oy in 2018–2023, member of Board of Directors of TietoEVRY Plc in 2017–2023 of which in 2021 as Vice Chair, member of the Board of Directors of Slush Ltd in 2014–2023 of which in 2018–2023 as Chair, member of the Board of Directors of Sooma Oy in 2013–2023, member of the Board of Directors of Front AI Ltd and New Children's Hospital Support Foundation sr in 2019–2022, Chair of the Board of Directors of Curious AI Ltd and member of the Board of Directors of Prodeko Ventures Oy in 2015–2021, member of the Board Of Directors of Ductor Ltd and Chair of the Board of Directors of Valkee Oy in 2012–2021, member of the Board of Directors of Ambronite Oy in 2017-2020, member of the Board of Directors of Business Finland Oy (former Tekes) and TrademarkNow Oy in 2014–2020, and member of the Board of Directors of Enevo Inc. in 2012–2020 of which in 2013–2020 as Chair. Ahopelto has also served as Head of Business Development at Blyk Services Ltd in 2006–2009, Founder–CEO and Commercial Director of CRF Box Oy (CRF Health) in 2000–2007 and consultant at McKinsey & Company Inc. in 1999–2000. Ahopelto holds a Master of Science in Industrial Engineering degree.

Alain-Gabriel Courtines has served as Vice Chair of Lifeline SPAC I's Board of Directors since 2021. Currently, Courtines is an independent investor in and advisor to a number of private technology businesses in Europe and the United States. Courtines has been member of the Board of Directors of Risk Ledger Ltd since 2021. Previously, Courtines has served as member of the Board of Directors of Realstocks Ltd in 2020–2023 and member of the Board of Directors of Oura Health Ltd in 2015–2019. Courtines has also served as Investment Director of Intel Capital in 2000–2010, Vice President of Investment Banking of Ladenburg Thalmann & Co. Inc. in 1994–1999 and Associate of Corporate Banking of NatWest Markets PLC in 1992–1994. Courtines holds a Master of Business Administration (MBA) degree.

Caterina Fake has served as member of Lifeline SPAC I's Board of Directors since 2021. Fake has been member of the Board of Advisors of Finnish Museum of Architecture and Design since 2022, member of the Board of Directors of Miltton Group Ltd since 2021, member of the Board of Directors of Public Goods since

2019, founding partner of Yes VC since 2018, member of the Advisory Board of McSweeney's Publishing LLC since 2017 and member of the Board of Trustees of Sundance Institute since 2015. Fake has also served as founding partner of the Founder Collective Management Co LLC in 2009–2018, Founder-CEO of Findery in 2011–2013, Co-Founder, Product Manager and member of the Board of Directors of Hunch, Inc. in 2008–2013, Director of the Technology Development Group of Yahoo! Inc. in 2005–2008 and Co-Founder of Flickr in 2002–2008. Fake holds a Bachelor of Arts degree.

Irena Goldenberg has served as member of Lifeline SPAC I's Board of Directors since 2021. Goldenberg has been member of the Board of Directors of PVcase UAB since 2023, member of the Board of Directors of Le Collectionist SAS since 2022, member of the Board of Directors of Supermetrics Oy since 2020, member of the Board of Directors of WeTransfer BV since 2015, member of the Board of Directors of eGym GmbH since 2014, and Co-Founder and Partner of Highland Europe since 2012. Previously, Goldenberg has served as Board Observer at Wolt Enterprises Oy in 2019–2022, member of the Board of Directors of Kollwitz Internet GmbH (JUNIQE) in 2016–2021, member of the Board of Directors of Jampp Inc. in 2015–2021 and member of the Board of Directors of Smartly.io Solutions Ltd in 2017–2020. Goldenberg has also served as Principal at Highland Capital Partners LLC in 2007–2012, Associate at Flybridge Capital Partners in 2003–2005 and Consult of Bain & Company Inc. in 2001–2003. Goldenberg holds a Master of Business Administration (MBA) degree.

Petteri Koponen has served as member of Lifeline SPAC I's Board of Directors since 2021. In addition, Koponen has served as founding partner of Lifeline Ventures since 2009, member of the Board of Directors of Lifeline Ventures GP V Oy since 2023, member of the Board of Directors of LLV Fund Management Ltd and Lifeline Ventures GP IV Oy since 2019, Chair of the Board of Directors of Lifeline Ventures GP III Ltd since 2017, member of the Board of Directors of Lifeline Ventures Fund Management Ltd and deputy member of the Board of Directors of Lifeline Ventures GP I Ltd since 2012 and Lifeline Ventures GP II Ltd's CEO since 2009 and member of the Board of Directors since 2017. Koponen has been member of the Board of Directors of Metroc Oy since 2024, Chair of the Board of Directors of Vensum Power Oy and member of the Board of Directors of SearchCo Ltd (Inven.ai) and Slush Ltd since 2023, member of the Board of Directors of Mobal Oy and Focal Technologies Ltd since 2022, member of the Board of Directors of Risk Ledger Ltd since 2021, member of the Board of Directors of Swarmia Oy and Smartly.io Holding Ltd since 2020, Chair of the Board of Directors of Varjo Technologies Oy and member of the Board of Directors of Tehtaankatu Base Ltd since 2016, member of the Board of Directors of Smartly.io Solutions Ltd since 2014 of which in 2017–2020 as Chair, CEO of Sofki Oy, a company controlled by Koponen, since 2012 of which since 2021 member of the Board of Directors, and CEO and member of the Board of Directors of Kiaso Ltd since 2006. Previously, Koponen has served as member of the Board of Directors of Supercell Ventures Ltd in 2017–2024, Chair of the Board of Directors of Wolt Enterprises Ltd and member of the Board of Directors of Hive Helsinki Foundation in 2018–2022, member of the Board of Directors of Umbra software Oy in 2018–2021, member of the Board of Directors of CALLSTATS I/O Oy in 2015–2020, member of the Board of Directors of Elisa Corporation in 2014–2020, member of the Board of Directors of Mojiworks Ltd in 2016–2019 and member of the National ICT Monitoring Group in 2013–2019. Koponen has also served as New Business Development at Google LLC in 2007–2009, CEO of Jaiku Oy in 2006–2007, advisor and product development director at Blyk Services Oy in 2006–2007 and Founder-CEO and Chair of the Board of Directors of First Hop Oy in 1997–2007. Koponen has studied Technical Physics and Economics.

As at the date of this Company Description, Alain-Gabriel Courtines, Caterina Fake and Irena Goldenberg are independent of Lifeline SPAC I, its management and its major shareholders. Timo Ahopelto and Petteri Koponen are not independent of Lifeline SPAC I, its management nor its major shareholders.

Management Team

The Management Team of Lifeline SPAC I consists of the CEO and other members appointed by the Board of Directors. As at the date of this Company Description, the following persons are members of the Management Team:

Name	Year of Birth	Position	Management Team Member Since
Tuomo Vähäpassi	1969	CEO	2021
Mikko Vesterinen	1983	CFO	2021

Tuomo Vähäpassi has served as Lifeline SPAC I's CEO since 2021. Vähäpassi is also one of the Founding Partners of Lifeline SPAC I. Vähäpassi has been Chair of the Board of Directors of 3North Partners Oy since 2021, member of the Board of Directors of G.W. Sohlberg Corporation since 2005 of which in 2008–2019 Chair and since 2019 Vice Chair and member of the Board of Directors of TSOEH Oy, a company controlled by Vähäpassi, since 2002. Previously, Vähäpassi has served as member of the Board of Directors of Kamux Corporation in 2020–2023 of which in 2021–2023 Vice Chair. Vähäpassi has also served as Director of the Corporate Finance unit of Skandinaviska Enskilda Banken AB (publ) Helsinki Branch in 2008—2020 of which in 2011–2019 as Managing Director and Head of Corporate Finance, and Hannes Snellman Attorneys Ltd's member of the Board of Directors in 2004–2007, partner (Co-Head/M&A, Head/Technology M&A, Head/Private Equity) in 2001–2007, Senior Associate in 1999–2000 and Associate in 1998. Vähäpassi holds an LL.M. degree.

Mikko Vesterinen has served as Lifeline SPAC I's CFO since 2021. Vesterinen is also one of the Founding Partners of Lifeline SPAC I. Vesterinen has been member of the Board of Directors of Even Twists Oy, a company controlled by Vesterinen, since 2018. Vesterinen has also served as the CFO of Qvik Ltd in 2017–2021 and Skandinaviska Enskilda Banken AB (publ) Helsinki Branch's Vice President of Corporate Finance in 2013–2017, Associate in 2010–2012 and Analyst in 2007–2010. Vesterinen holds a master's degree in finance.

CEO

Lifeline SPAC I's CEO is appointed by the Board of Directors. Tuomo Vähäpassi has acted as Lifeline SPAC I's CEO since 2021. The CEO manages and develops Lifeline SPAC I's business and is in charge of the operative administration of Lifeline SPAC I in accordance with the instructions of the Board of Directors. The CEO presents matters and reports them to the Board of Directors. The CEO carries out the day-to-day administration in accordance with the instructions of the Board of Directors and ensures that Lifeline SPAC I's accounting complies with law and that the management of Lifeline SPAC I's assets is organised in a reliable manner.

The CEO or Lifeline SPAC I may terminate the CEO's contract with a notice period of six months. The CEO's contract includes non-competition, non-recruiting and non-solicitation obligations that remain in force until six months have passed since the termination of the contract.

Corporate Governance

In its decision-making and corporate governance, Lifeline SPAC I complies with the Finnish Companies Act, the Articles of Association of Lifeline SPAC I, the Main Market Rulebook, securities markets legislation as well as other regulations applied to Lifeline SPAC I. In addition, Lifeline SPAC I complies with the Finnish Corporate Governance Code, entered into force on 1 January 2020 and published by the Finnish Securities Market Association.

After transferring to the First North marketplace from the regulated market of Nasdaq Helsinki, the Combined Company will no longer comply with the Governance Code, and will follow the Nasdaq First North Growth Market Rulebook for Issuers of Shares, instead of the Main Market Rulebook.

Company Sponsors

Information on the Sponsors

Lifeline Ventures is a Finnish venture capital firm investing in early-stage growth companies through its funds. Lifeline Ventures' partners Timo Ahopelto, Petteri Koponen and Juha Lindfors and Lifeline Ventures' advisor Kai Bäckman have acted in Lifeline SPAC I as the members of the Sponsor Committee. Lifeline Ventures' advisor Ilkka Paananen has acted as the Chair of the Sponsor Committee. The Sponsors have vast experience in working together and in the field of private equity. As regards the Sponsors, Timo Ahopelto and Petteri Koponen have, from the beginning, been involved in the establishment and the building of the Lifeline Ventures private equity companies that have successfully acted as an investor of technology-intensive seed capital companies and technology-intensive companies in an early growth phase since 2012. The experience and networks the Sponsors have gained in Lifeline Ventures' activities play a key role in the success of the activities of Lifeline SPAC I, even if the Sponsors have invested in Lifeline SPAC I expressly as private persons and not through the Lifeline Ventures companies. The contacts, the experiences and the knowledge on the development and financing of companies in growth phase and on the steering of the activities in cooperation with target companies gained through the private equity company Lifeline Ventures are exactly the know-how that Lifeline SPAC I has needed in its business.

In the course of its activities, Lifeline Ventures has, on a Finnish scale, grown and become a significant private equity company whose investment portfolio includes many significant Finnish technology companies and technology intensive companies. Lifeline Ventures' latest fund, the fifth fund Lifeline Ventures V LP, obtained investment commitments of EUR 150 million in May 2023.

The history of investments of Lifeline Ventures' funds and the Sponsors includes significant portfolio companies, such as Supercell Ltd, Smartly.io Solutions Ltd, Oura Health Ltd, Wolt Enterprises Oy and Swappie Oy. Lifeline Ventures is, also on a global scale, a successful private equity company that has succeeded in generating excellent returns on its investments. Lifeline Ventures has, thus, a proven ability to create additional value for the companies it owns.

Lifeline SPAC I's operations are structured in such a way that Lifeline SPAC I's operational management performs analytical and preparatory work, so that the time and experience of the Sponsor Committee can be used, in particular, to analyse non-valuation issues and support the Management Team. The role of Sponsors is, therefore, to act as a consultant to Lifeline SPAC I's Management Team.

Interests in Lifeline SPAC I

Lifeline SPAC I seeks for an investment that has a significant growth potential and that could become the unicorn in the realm of technology. In order to achieve this, it is essential that Lifeline SPAC I's significant shareholders and other shareholders have similar interests in the development of the activities. As the investment strategy focuses particularly on a company whose ability to make profits is in the future, the members of the Sponsor Committee have committed to the investment with a lock-up agreement of 24 months.

The members of the Sponsor Committee have financed the working capital needs of Lifeline SPAC I for arranging the Initial Listing and during its search phase. Lifeline SPAC I's unanimous shareholders resolved on a total of 2,337,500 Sponsor Warrants on 28 September 2021, which the members of the Sponsor Committee and members of Lifeline SPAC I's Board of Directors subscribed for by 5 October 2021. The proceeds of EUR 4,254,230 from these subscriptions have covered the costs of the Initial Listing and cover Lifeline SPAC I's need of working capital until the approval of the Acquisition. In addition, the Sponsors have on 30 September 2021 given a commitment to subscribe for Lifeline SPAC I's series A shares with a total of EUR 2 million if Lifeline SPAC I needs additional working capital before the approval of the Acquisition. The commitment is valid until the end of the General Meeting deciding on the Acquisition.

In accordance with the subscription commitment, on 5 July 2024, Sponsors Timo Ahopelto, Petteri Koponen and Juha Lindfors subscribed for a total of 94,995 new series A shares in a directed issue for a subscription price of EUR 10.00 per share in order to ensure the sufficiency of Lifeline SPAC I's working capital for the completion of the Transaction. The Sponsors who subscribed for shares have committed (i) to waiving their right to distribution of assets prior to the completion of the Transaction that they would be entitled to by virtue of the series A shares subscribed for by such Sponsors and (ii) to delivering to Lifeline SPAC I these series A shares held by them without consideration if Lifeline SPAC I is placed into liquidation or in bankruptcy prior to the completion of the Transaction.

If Lifeline SPAC I is not successful in the Acquisition or if the target company turns out to be weaker than targeted, in which case the conversion of series B shares subscribed for by the members of the Sponsor Committee and the conversion of Sponsor Warrants and the levels of subscription prices are not reached, the members of the Sponsor Committee will lose the venture capital they have invested either partially or wholly.

As at the date of this Company Description, the Sponsors do not have such an investment in Lifeline SPAC I nor have they, as at the date of this Company Description, committed to such an investment in Lifeline SPAC I that would give them the right to obtain a dividend in liquidation prior the Acquisition, or the right to request the redemption of the series A shares. After approval of the Acquisition, the Sponsors' economic success is, thus, fully bound to the detection of a successful target company and the completion of a successful restructuring of corporation. The right to convert series B shares is described in more detail in section "*Shareholders' Rights – Conversion of Lifeline SPAC I's Series B Shares*".

Sponsor Committee

The Board of Directors has established a Sponsor Committee consisting of the Sponsors and the Chair of the Sponsor Committee to evaluate and make proposals to Lifeline SPAC I's Board of Directors regarding possible target companies. As at the date of this Company Description, the following persons are members of the Sponsor Committee:

Name	Year of Birth	Position	Sponsor Committee Member Since
Ilkka Paananen	1978	Sponsor Committee Chair	2021
Timo Ahopelto	1975	Sponsor Committee Member	2021
Kai Bäckman	1977	Sponsor Committee Member	2021
Petteri Koponen	1970	Sponsor Committee Member	2021
Juha Lindfors	1973	Sponsor Committee Member	2021

Ilkka Paananen has served as Chair of the Sponsor Committee since 2021. In addition, Paananen has served as advisor for Lifeline Ventures since 2014. Paananen has been member of the Board of Directors of LEGO A/S since 2024, member of the Board of Directors of Frogmind Entertainment Oy since 2023, member of the Board of Directors of Illusian Group Oy since 2022, member of the Board of Directors of Illusian Holding Oy since 2022 of which in 2022–2024 Chair, Chair of the Board of Directors of Wondershop Ltd and member of the Board of Directors of Zwift Inc since 2020, Chair of the Board of Directors of Ilkka Paanasen säätiö sr since 2017, Chair of the Board of Directors of We Foundation sr and member of the Board of Directors of Turkuhallin Palvelu Oy since 2015, member of the Board of Directors of HC TPS Turku Oy since 2014 and Founder-CEO and member of the Board of Directors of Supercell Ltd since 2010. Previously, Paananen has served as member of the Board of Directors of Papukaya Oy in 2020–2023 and member of the Board of Directors of Wolt Enterprises Oy in 2016–2022. Paananen has also served as Digital Chocolate Inc.'s President in 2010, President of Studios in 2006–2009 and Managing Director of Europe in 2004–2006, and CEO of Sumea Ltd in 2000–2004. Paananen holds a Master of Science in Industrial Management.

Timo Ahopelto has served as member of the Sponsor Committee since 2021. Please see Ahopelto's biography in "*– Board of Directors and the Management Team – Board of Directors*" above.

Kai Bäckman has served as member of the Sponsor Committee since 2021. In addition, Bäckman has served as Lifeline Ventures' advisor since 2022 and partner in 2016–2022, and member of the Board of Directors of LLV Fund Management Ltd in 2022–2023. Bäckman has been Founder-CEO of Candela 683 Inc since 2022 and member of the Board of Directors since 2023, member of the Board of Directors of Decurion Ventures Oy, a company controlled by Bäckman, since 2021, CEO and member of the Board of Directors of Lifeline Research Oy since 2016 and member of the Board of Directors of Solberg Apicultura Ltd since 2016. Previously, Bäckman has served as member of the Board of Directors of hyperion robotics Oy in 2023, member of the Board of Directors of Mobal Oy in 2022, member of the Board of Directors of Vensum Power Oy and Seaber Ltd in 2019–2023, Chair of the Board of Directors of Solu Stainless Oy in 2020–2022, member of the Board of Directors of Lifeline Ventures GP IV Oy in 2019–2022, member of the Board of Directors of Kontena Inc. in 2019–2020, Chair of the Board of Directors of TimeGate Instruments Ltd in 2018–2023, member of the Board of Directors of Wave Ventures Ltd in 2018–2022, Chair of the Board of Directors of Nanojet Oy in 2018–2020, member of the Board of Directors of Aiven Ltd in 2017–2022 and member of the Board of Directors of Shapr3D Ltd in 2017–2019. Bäckman has also served as Software architect at Autodesk, Inc. in 2015–2016, Founder-CEO at Airstone Labs Inc. in 2013–2015, Founder-CEO at Tinkercad Inc. in 2010–2013, Software architect at Google LLC in 2006–2010, Founder of Mistaril Oy in 2002–2005 and software design consultant for various companies in 1993–2000. Bäckman has studied software engineering.

Petteri Koponen has served as member of the Sponsor Committee since 2021. Please see Koponen's biography in "*– Board of Directors and the Management Team – Board of Directors*" above.

Juha Lindfors has served as member of the Sponsor Committee since 2021. In addition, Lindfors has served as partner of Lifeline Ventures since 2016, member of the Board of Directors of Lifeline Ventures GP V Oy since 2023, member of the Board of Directors of LLV Fund Management Ltd since 2019 of which CEO since 2022, member of the Board of Directors of Lifeline Ventures GP IV Oy since 2019 and member of the Board of Directors of Lifeline Ventures GP III Ltd and deputy member of the Board of Directors of Lifeline Ventures GP II Ltd since 2017. Lindfors has been deputy member of the Board of Directors of Ambio Oy and Metroc Oy since 2024, member of the Board of Directors of Clouder Ltd and deputy member of the Board of Directors of SearchCo Ltd (Inven.ai) since 2023, Chair of the Board of Directors of Wave Ventures Ltd since 2022, member of the Board of Directors of Synergi Solutions Ltd, CurifyLabs Oy and ReceiptHero Ltd and deputy member of the Board of Directors of Droppe Ltd since 2022, member of the Board of Directors of Measur Oy and Mjuk Group Ab since 2021, Chair of the Board of Directors of Spacent Oy since 2020, member of the Board of Directors of School Day Helsinki Oy since 2018 of which in 2018–2020 Chair, member of the Board of Directors of Solar Foods Oy since 2018 of which since 2020 Chair, member of the Board of Directors of Haaga

Consulting Oy (former Blok Enterprises Ltd) since 2018 of which since 2020 Chair, member of the Board of Directors of Sulapac Ltd since 2017 of which in 2017–2019 Chair, member of the Board of Directors of Swappie Oy since 2017 of which since 2022 Chair, member of the Board of Directors of Tehtaankatu Base Ltd since 2016, member of the Board of Directors of Långdal Ventures Oy, a company controlled by Lindfors, since 2014, deputy member of the Board of Directors of Alvik Oy since 2005 and member of the Board of Directors of Luode Consulting Oy since 2003. Previously, Lindfors has served as Chair of the Board of Directors of Tulos Group Oy and Odelav Holdco Oy in 2021–2024, Chair of the Board of Directors of Karsa Ltd in 2016–2024, member of the Board of Directors of Giwt Holding Oy in 2021–2022, member of the Board of Directors of Cooler Future Oy in 2020–2023, Chair of the Board of Directors of Realstocks Ltd in 2018–2023, member of the Board of Directors of Altum Technologies Oy and Minima Processor Ltd in 2017–2022, member of the Board of Directors of Akkurate Oy in 2016–2022, Chair of the Board of Directors of Hälsobarometern AB, Läkarhuset Sibyllegatan AB and Integrating Care Holding AB in 2020, Chair of the Board of Directors of R-Clinic Ltd in 2010–2020, and member of the Board of Directors of AJP Holding Oy in 2009–2020. Lindfors has also served as EQT Partners Oy's Partner in 2003–2007, Director in 2001–2002 and Associate in 1998–2000, and Analyst of Cultor Group in 1996–1998. Lindfors holds a master's degree in economics.

Information on the Members of the Board of Directors, the Management Team and the Sponsor Committee

Notwithstanding the below, the members of the Board of Directors, the Management Team and the Sponsor Committee have not during the previous five years prior to the publication of the Company Description:

- had any conviction in relation to fraudulent offences,
- acted in executive positions, such as members of administrative, executive or supervisory bodies, or been part of the management of or acted as a general partner of a limited partnership in a company that has filed for bankruptcy, liquidation or restructuring proceedings (excluding such liquidation processes, which have been voluntary in order to legally dissolve a limited liability company in accordance with the Finnish Companies Act in Finland), or
- been the subject of prosecution or penalty by judicial or supervisory authority (including professional associations), and been disqualified by a court from acting as a member of administrative, management or supervisory bodies of any company or prohibited the person from acting in the management of any company or from managing the affairs at any company.

Timo Ahopelto, Chair of Lifeline SPAC I's Board of Directors, acted as the Chair of the Board of Directors of Valkee Oy when the said company was declared bankrupt in November 2021, and as the Chair of the Board of Directors of Enevo Oy when the said company was declared bankrupt in July 2020.

Petteri Koponen, member of Lifeline SPAC I's Board of Directors and the Sponsor Committee, acted as a member of the Board of Directors of CALLSTATS I/O Oy when the said company was declared bankrupt in November 2019.

Kai Bäckman, member of the Sponsor Committee, acted as the Chair of the Board of Directors of Nanojet Oy when the said company was declared bankrupt in February 2020, and as a member of the Board of Directors of Kontena Inc. when the said company was declared bankrupt in December 2019.

Juha Lindfors, member of the Sponsor Committee, acted as the Chair of the Board of Directors of Haaga Consulting Oy (former Blok Enterprises Ltd) when the said company was declared bankrupt in January 2024, and as a member of the Board of Directors of School Day Helsinki Oy when the said company was declared bankrupt in December 2022.

Conflicts of Interest

The provisions regarding the conflicts of interest of the management of a 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 matter that pertains to an agreement between himself and the company. Nor may a member of the Board of Directors take part in the handling of a matter pertaining to an agreement between the company and a third party, should the member in question thereby stand to gain a material benefit, which may be in conflict with the company's interests. What is stated above with regard to agreements is correspondingly applicable to other legal act, legal proceeding and other right of action. These provisions also apply to the CEO. There are no provisions regarding the conflicts of interest of the members of the management team in the Finnish Companies Act. To the knowledge of Lifeline SPAC I, the independent members of the Board of Directors, the Chair of the Sponsor Committee and the members of the Management Team do not have other conflicts of interest between their duties to Lifeline SPAC I and their private interests or their other duties than the shares held directly or indirectly by them, except for the risk related to shareholding and warrants that the invested capital may be fully lost if the Transaction is not completed, which is described below.

Lifeline SPAC I has evaluated different potential conflicts of interest that are related to Lifeline SPAC I's line of business and operations for the completion of the Transaction as well as series B shares, the Founder Warrants and the Sponsor Warrants. Lifeline SPAC I has estimated that conflicts of interest may also arise because investments of Lifeline SPAC I's members of the Board of Directors, the Sponsor Committee and the Management Team are bound to a successful Transaction. Series B shares are not entitled to funds deposited in the escrow account in connection with the Initial Listing or to other allocation of funds, and it is not possible to convert the series B shares into series A shares if the Transaction is not approved and if the Combined Company's stock price does not reach certain price limits defined in the Articles of Association thereafter. Therefore, there may be a pronounced interest in the completion of the Transaction. For further information, see section "– *Management Holdings*" below.

For further information on the risks regarding conflicts of interest, see section "*Risk Factors – Risks Related to the Transaction – Because Lifeline SPAC I's members of the Board of Directors, the Management Team and the Sponsor Committee will lose their entire investment in Lifeline SPAC I (excluding certain investments in series A shares) if the Transaction or an alternative transaction is not completed, a conflict of interest may have arisen in determining whether Canatu was appropriate for Lifeline SPAC I's Transaction*".

There are no family relationships between the members of Lifeline SPAC I's Board of Directors, the Management Team or the Sponsor Committee.

Management Holdings

The following table sets forth the ownership of Shares in Lifeline SPAC I by the members of the Board of Directors, the Management Team and the Sponsor Committee and the number of Sponsor Warrants and Founder Warrants held by these persons as at 31 July 2024:

				Total shares and votes			
Name	**Position**	**Number of series A shares**	**Number of series B shares**	**Number of Shares and votes**	**%**	**Sponsor Warrants**	**Founder Warrants**
Timo Ahopelto[1]	Chair of the Board and Sponsor Committee Member	31,665	394,302	425,967	3.38	446,875	-
Alain-Gabriel Courtines	Vice Chair of the Board	-	97,058	97,058	0.77	109,999	-
Caterina Fake	Board Member	-	97,058	97,058	0.77	109,999	-
Irena Goldenberg	Board Member	-	97,058	97,058	0.77	109,999	-
Petteri Koponen[2]	Board Member and Sponsor Committee Member	31,665	394,302	425,967	3.38	446,875	-
Tuomo Vähäpassi[3]	CEO	35,000	375,000	410,000	3.26	-	425,000
Mikko Vesterinen	CFO	404	62,500	62,904	0.50	-	70,833
Ilkka Paananen	Chair of the Sponsor Committee	50,000	194,118	244,118	1.94	220,003	-
Kai Bäckman[4]	Sponsor Committee Member	-	394,302	394,302	3.13	446,875	-
Juha Lindfors[5]	Sponsor Committee Member	31,665	394,302	425,967	3.38	446,875	-
Total		**180,399**	**2,500,000**	**2,680,399**	**21.28**	**2,337,500**	**495,833**

1) Timo Ahopelto's subscriptions for series B shares and Sponsor Warrants have been made through Ahopelto's controlled entity TA Ventures Ltd.

2) Petteri Koponen's subscriptions for series B shares and Sponsor Warrants have been made through Koponen's controlled entity Sofki Oy.

3) Tuomo Vähäpassi's subscriptions for series A shares, series B shares and Founder Warrants have been made through Vähäpassi's controlled entity TSOEH Oy.

4) Kai Bäckman's subscriptions for series B shares and Sponsor Warrants have been made through Bäckman's controlled entity Decurion Ventures Oy.

5) Juha Lindfors' subscriptions for series B shares and Sponsor Warrants have been made through Lindfors' controlled entity Långdal Ventures Oy.

In accordance with the terms of Lifeline SPAC I's CEO's contract, the CEO is obligated at the request of the Board of Directors of Lifeline SPAC I to have all his shares and securities entitling to shares (other than series A shares) redeemed by Lifeline SPAC I or to sell all of his Shares to a buyer nominated by the Board of Directors of Lifeline SPAC I in the event the service relationship of the CEO is terminated by the CEO on his own initiative prior to the completion of the Acquisition. If Lifeline SPAC I does not use its right to redeem the shares or nominate a buyer, each other shareholder of series B shares is entitled to purchase the shares held by the CEO. Lifeline SPAC I's CFO's contract includes a provision corresponding to the CEO's contract for having all shares and securities entitling to shares (other than series A shares) redeemed and sold in the event the employment of the CFO is terminated by the CFO on his own initiative prior to the completion of the Acquisition. The redemption or purchase price of the CEO's or CFO's shares and securities entitling to shares is the original subscription price or the fair market value, whichever is lower.

Management Remuneration and Incentive and Pension Schemes

Board of Directors

In accordance with the Finnish Companies Act and Lifeline SPAC I's Articles of Association, the remuneration of the members of the Board of Directors is decided by the shareholders at the Annual General Meeting.

The following table sets forth the annual remuneration and meeting fees paid to the members of the Board of Directors for the financial periods indicated:

(EUR)	1 January–31 December 2023	1 January–31 December 2022	13 August–31 December 2021
		(audited)	
Timo Ahopelto	15,000	15,000	3,750
Alain-Gabriel Courtines	10,000	10,000	2,500
Caterina Fake	10,000	10,000	2,500
Irena Goldenberg	10,000	10,000	2,500
Petteri Koponen	10,000	10,000	2,500
Total	**55,000**	**55,000**	**13,750**

The members of Lifeline SPAC I's Board of Directors did not receive shares or share-based benefits as remuneration in the financial periods 2023, 2022 or 2021. In Lifeline SPAC I's financial statements, however, the share and warrant subscriptions, excluding subscriptions for series A shares, by the members of the Board of Directors and the Management Team have been considered as transactions subject to IFRS 2 Share-based Payments, and therefore the differences between the instruments' subscription prices and fair values were recorded as Lifeline SPAC I's employee benefit expenses for the financial period from 13 August to 31 December 2021.

There have been no material changes to the remuneration of the members of the Board of Directors after 31 December 2023.

Lifeline SPAC I has not given any guarantees or other commitments on behalf of any of the members of the Board of Directors.

CEO and CFO

Lifeline SPAC I's Board of Directors decides on the salary, remuneration and other benefits of the CEO and the CFO. The remuneration of Lifeline SPAC I's CEO consists solely of a fixed monthly salary. His salary is EUR 12,000 per month.

Lifeline SPAC I has entered into an employment contract with the CFO, in accordance with which the remuneration of Lifeline SPAC I's CFO consists solely of a fixed monthly salary. His salary is EUR 9,000 per month.

Lifeline SPAC I's CEO and CFO are entitled to compensation for reasonable realised travel and accommodation expenses as well as other reasonable expenses arising from the work.

Lifeline SPAC I's personnel consists of the CEO and the CFO. The following table sets forth the remuneration of the CEO and CFO for the financial periods indicated:

EUR	1 January–31 December 2023	1 January–31 December 2022	13 August–31 December 2021
		(unaudited)	
CEO	144,240	144,240	36,060
CFO	108,240	108,240	27,060
Total	**252,480**	**252,480**	**63,120**

There have been no material changes to the remuneration of CFO and the CEO after 31 December 2023.

The Sponsor Committee

No salary, remuneration or other benefits shall be paid to the members of the Sponsor Committee of Lifeline SPAC I. The financial incentive for the members of the Sponsor Committee consists of the Sponsor Warrants and series B shares they have subscribed for. For further information on the holdings, see section "*– Management Holdings*" above.

Auditors

Lifeline SPAC I's auditor is elected by the Annual General Meeting. Lifeline SPAC I must have an auditor that must be an audit firm approved by the Finnish Patent and Registration Office with an Authorised Public Accountant as its principal auditor. The term of the auditor expires at the end of the first Annual General Meeting of shareholders following his/her election.

As at the date of this Company Description, KPMG Oy Ab, Authorised Public Accountants, acts as Lifeline SPAC I's auditor, Jussi Paski acting as the auditor with principal responsibility. Jussi Paski is registered in the register of auditors referred to in Chapter 6, Section 9 of the Auditing Act (1141/2015, as amended).

Shares and Share Capital of Lifeline SPAC I

General on the Shares and Share Capital of Lifeline SPAC I

As at the date of this Company Description, Lifeline SPAC I's share capital was EUR 80,000. As at the date of this Company Description, Lifeline SPAC I has two (2) share series. The total number of shares in Lifeline SPAC I is at the date of this Company Description 12,594,995 shares divided into 10,094,995 series A shares and 2,500,000 series B shares (the "**Shares**"). Each Share entitles the holder to one vote at Lifeline SPAC I's General Meeting. The Shares have no nominal value. The Shares were entered into the Finnish book-entry system on 24 September 2021, and the ISIN code of the series A shares is FI4000512496 and the ISIN code of the series B shares is FI4000512124. As at the date of this Company Description, Lifeline SPAC I does not hold any of its own Shares. The Shares are issued in euros.

All of Lifeline SPAC I's Shares carry equal voting and economic rights, except for the redemption condition of series A shares, and the exclusion of right to dividend and distribution of assets and of the right to distributive share in the event of dissolution of Lifeline SPAC I of series B shares. For further information on the redemption condition of series A shares, see section "*Shareholders' Rights – Special Redemption Condition for Series A Shares in Accordance with the Articles of Association*". The economic rights of the series B shares are tied to the success of the Acquisition thus that these shares can be converted into series A shares after the approval of the Acquisition if the conditions set out in the Articles of Association are met. For further information on the right of conversion of the series B shares, see section "*Shareholders' Rights – Conversion of Lifeline SPAC I's Series B Shares*".

Lifeline SPAC I's series A shares were listed on the SPAC segment of the regulated market of Nasdaq Helsinki on 15 October 2021 under the trading code "LL1SPAC". Lifeline SPAC I will apply for the listing of the Combined Company's series A shares on the First North marketplace under the trading code "CNT". Trading in the series A shares on the First North marketplace is expected to begin on or about 17 September 2024.

Changes in the Number of Shares and the Share Capital

The following table sets forth a summary of the changes in Lifeline SPAC I's share capital and number of Shares from 13 August 2021 to the date of this Company Description. Lifeline SPAC I's memorandum of association was signed on 13 August 2021.

Time	Arrangement	Subscription price per Share (EUR)	Number of Shares issued in the arrangement	Number of Shares after the arrangement	Share capital (EUR)	Registered[1]
13 August 2021	Establishment of Lifeline SPAC I	0	1,000	1,000	0	18 August 2021
31 August 2021	Directed share issue of series B shares	0.01	2,500	3,500	0	29 September 2021
28 September 2021	Directed share issue of series B shares	0.04	2,011,208	2,014,708	80,000	29 September 2021
14 October 2021	Initial public offering of series A shares	10.00	10,000,000	12,014,708	80,000	14 October 2021
14 October 2021	Directed share issue of series B shares	0.04	485,292	12,500,000	80,000	14 October 2021
5 July 2024	Directed share issue of series A shares	10.00	94,995	12,594,995	80,000	16 July 2024

1) The date refers to the date on which an entry was made in the Finnish Trade Register.

Shareholders of Lifeline SPAC I

According to Lifeline SPAC I's register of shareholders, maintained by Euroclear Finland, on 31 July 2024 Lifeline SPAC I had 2,910 shareholders. Shareholders owning 5 per cent or more of the shares or proportion of voting rights in Lifeline SPAC I have an interest in the company's share capital which is notifiable pursuant to the Finnish Securities Markets Act. The following table sets forth the shareholders owning 5 per cent or more of the shares or votes in Lifeline SPAC I, based on information available to Lifeline SPAC I as at 31 July 2024:

Shareholder	Number of series A shares	Number of series B shares	Number of Shares in total	Number of votes in total	Proportion of Shares and votes %
WIP Asset Management Ltd[1] ..	0	0	0	1,526,254	12.12
G.W.Sohlberg Corporation.......	1,000,000	0	1,000,000	1,000,000	7.94
Varma Mutual Pension Insurance Company.................	900,000	0	900,000	900,000	7.15
Ahlstrom Invest B.V.	700,000	0	700,000	700,000	5.56
Mandatum Life Insurance Company Limited.....................	639,065	0	639,065	639,065	5.07
Other shareholders..................	6,855,930	2,500,000	9,355,930	7,829,676	62.16
Total	**10,094,995**	**2,500,000**	**12,594,995**	**12,594,995**	**100.00**

1) According to the flagging notification made by WIP Asset Management Ltd in accordance with Chapter 9, Section 10 of the Finnish Securities Markets Act on 5 July 2024, WIP Asset Management Ltd has the right to use 12.21 per cent of the voting rights attached to all shares in Lifeline SPAC I based on the open-ended proxies given to WIP Asset Management Ltd by its investment clients. The proxies entitle WIP Asset Management Ltd to represent the shareholders at Lifeline SPAC I's general meetings at its own discretion and without instructions from the shareholders.

Lifeline SPAC I has no knowledge of any shareholder exercising control over Lifeline SPAC I or of any other events or arrangements that may have an impact on the exercise of control over Lifeline SPAC I in the future.

Certain large shareholders of Lifeline SPAC I, *i.e.*, Ahlstrom Invest B.V., certain investment funds of SP-Fund Management Company Ltd and WIP Asset Management Ltd, Mandatum Life Insurance Company Limited, G.W. Sohlberg Corporation and Varma Mutual Pension Insurance Company, and certain other shareholders, including the members of Lifeline SPAC I's Board of Directors, Management Team and Sponsor Committee, together representing as at the date of this Company Description approximately 72 per cent of the Shares and votes in Lifeline SPAC I, have irrevocably undertaken to support and vote in favour of the Transaction at Lifeline SPAC I's EGM resolving on the Transaction.

Authorisations Granted to the Board of Directors

By Lifeline SPAC I's unanimous resolution on 28 September 2021, the Board of Directors was issued the following authorisations:

- The Board of Directors was authorised to decide on the issuance of new series A shares and/or conveyance of the series A shares held by Lifeline SPAC I in one or more instalments against or without payment, and the issuance of special rights entitling to shares and/or share option rights by one or several decisions. The number of shares to be issued pursuant to the authorisation and the amount of shares issued or conveyed by virtue of the authorisation to issue special rights entitling to shares shall not exceed 9,000,000 series A shares. The Board of Directors is entitled to decide on the terms of the share issue or conveyance of the shares held by Lifeline SPAC I and/or terms of the special rights entitling to shares or share option rights, including deviation from the shareholders' pre-emptive subscription right. The authorisation is valid until 28 September 2026.

The Board of Directors of Lifeline SPAC I proposes to the EGM resolving on the Transaction that the Board of Directors be authorised to resolve on the following:

- The Board of Directors proposes that the Board of Directors be authorised to resolve on the issuance of new series C shares and new option rights entitling their holders to subscribe for series A shares as referred to in Chapter 10, Section 1 of the Finnish Companies Act as consideration in the Transaction as well as on the issuance of new series A shares in one or several parts as a potential additional purchase price to the shareholders of Canatu and new option rights in one or several parts entitling their holders to subscribe for series A shares as referred to in Chapter 10, Section 1 of the Finnish Companies Act to the option rights holders of Canatu. Based on the authorisation, maximum of 21,791,821 new series C shares may be resolved to be issued and maximum of 8,676,657 new series A shares may be resolved to be issued either through issuance of shares or option rights. The Board of Directors is authorised to decide on all other matters related to the issuance of shares and option rights. Shares and option rights entitling to shares may be issued in deviation from the shareholders' pre-emptive rights within the limits set by law. The authorisation is proposed to remain valid until 30 June 2029. For the avoidance of doubt, the authorisation does not replace or revoke any previous unused authorisations of the Board of Directors.

- In accordance with Lifeline SPAC I's Articles of Association, shareholders of series A shares who vote against the Acquisition at a General Meeting have the right to request that their shares be redeemed. The Board of Directors proposes that the Board of Directors be authorised to resolve on the redemption of a maximum of 3,333,333 series A shares in one or several parts in order to carry out the redemptions of series A shares as referred to in the company's Articles of Association. However, a decision to redeem shares shall not be made so that the treasury shares in the possession of the company and its subsidiaries would exceed one tenth of all shares. The redemption price is EUR 10.00 per series A share. The redemption price will be paid in cash in the schedule determined by the Board of Directors. The authorisation is proposed to remain valid until 31 March 2025. For the avoidance of doubt, the authorisation does not replace or revoke any previous unused authorisations of the Board of Directors.

- The Board of Directors proposes that the Board of Directors be authorised to resolve on the issuance of shares and special rights entitling to series A shares as referred to in Chapter 10, Section 1 of the Finnish Companies Act in one or several parts, either against payment or without payment. The aggregate number of series A shares to be received based on shares and special rights must not exceed 2,225,428 series A shares. The authorisation may be exercised to implement incentive programs, including a new share-based long-term incentive programme. The new performance share plan 2024–2028 is intended to be established in autumn 2024 for the entire personnel of the company and its subsidiaries, and any incentives potentially payable under the programme will be based on the total shareholder return of the series A share as determined by the Board of Directors. The authorisation may be used so that the shares and special rights would be issued directly to the employees, management and CEOs of the company and its subsidiaries or to a holding company established separately for the implementation of incentive programs. The Board of Directors is authorised to decide on all other matters related to the issuance of special rights entitling to shares, including the right to deviate from the pre-emptive right of shareholders. It is proposed that the authorisation remain valid until the closing of the next Annual General Meeting, but no longer than until 30 June 2025. For the avoidance of doubt, the authorisation does not replace or revoke any previous unused authorisations of the Board of Directors.

Dividends

Lifeline SPAC I has not yet paid any dividends.

Under the Finnish Companies Act, the General Meeting decides on the distribution of dividends and other distributions of assets based on a proposal by the company's Board of Directors. Dividends are generally declared once every financial year and may be paid only after the General Meeting of shareholders has approved the company's financial statements. For further information on the restrictions applicable to dividend distributions and other distributions of assets, see section "*Shareholders' Rights – Dividends and Distribution of Unrestricted Equity*".

SHAREHOLDERS' RIGHTS

Shareholders' Pre-emptive Subscription Right

Under the Finnish Companies Act, existing shareholders of Finnish companies have a pre-emptive right to subscribe for the company's shares in proportion to their shareholding, unless otherwise resolved by the General Meeting of shareholders concerning the share issue. Under the Finnish Companies Act, a resolution to deviate from the shareholders' pre-emptive right is valid only if approved by at least two thirds of all votes cast and all shares represented at the General Meeting of shareholders. The shareholders' pre-emptive subscription right may be deviated from if such deviation is justified by weighty financial reasons from the perspective of the company. A directed share issue may also be carried out as a share issue without consideration if there are particularly weighty financial reasons from the perspective of the company and the shareholders.

Certain shareholders resident in or with a registered address in a country other than Finland may not be able to exercise their pre-emptive subscription right in respect of their shareholding, unless the shares and connected subscription rights are registered in accordance with the securities legislation of the relevant country or an exemption from registration or other similar requirements is applicable.

General Meeting of Shareholders

In accordance with the Finnish Companies Act, shareholders exercise their decision-making powers in matters concerning the company at the General Meeting of shareholders. The Annual General Meeting of shareholders is held yearly, on a date decided by the Board of Directors, within six months from the closing date of the financial period.

The Annual General Meeting of shareholders decides on, among others, adoption of the financial statements, distribution of dividends and election of members of the Board of Directors and their remuneration and election of the auditor. The Annual General Meeting of shareholders also decides on discharge from liability of the Board of Directors and the CEO.

In addition to the Annual General Meeting of shareholders, Extraordinary General Meetings of shareholders may also be held, if required. Subject to the matter to be resolved, the qualified majority provisions set out in the Finnish Companies Act will be applied. Pursuant to the Finnish Companies Act, decisions that require a qualified majority must be approved by two thirds of the votes cast and shares represented at the General Meeting of shareholders. A qualified majority is needed for, among others, amending the Articles of Association, redeeming and acquiring the company's own shares, as well as for deciding on mergers and demergers. There are no specific requirements regarding the number of participants for the quorum of the General Meeting of shareholders in the Finnish Companies Act or Lifeline SPAC I's Articles of Association.

Shareholders have the right to have a matter falling within the competence of the General Meeting of shareholders dealt with by the General Meeting of shareholders pursuant to the Finnish Companies Act if they so demand from the Board of Directors in writing well in advance so that the matter can be included in the notice of the meeting. If either a shareholder or shareholders controlling at least ten per cent of the Shares or Lifeline SPAC I's auditor requests that a certain matter be considered at the General Meeting of shareholders, the Board of Directors must immediately convene a General Meeting of shareholders.

In accordance with Lifeline SPAC I's Articles of Association, the notice to the General Meeting of shareholders shall be delivered to the shareholders not earlier than three months and not later than three weeks prior to the meeting, however, no later than nine days before the record date of the General Meeting. The invitation must be delivered to the shareholders by a notice published on Lifeline SPAC I's website or in at least one national daily newspaper appointed by the Board of Directors. In order to attend the General Meeting of shareholders, a shareholder must register with Lifeline SPAC I no later than on the date specified in the notice of the meeting, which may not be earlier than ten days prior to the General Meeting of shareholders.

Shareholders, who have been entered in Lifeline SPAC I's register of shareholders maintained by Euroclear Finland no later than eight business days before the General Meeting of shareholders (record date of the General Meeting of shareholders) and who have registered for the General Meeting of shareholders no later than on the date specified in the notice of the meeting, or nominee-registered shareholders who have temporarily been entered in Lifeline SPAC I's register of shareholders for taking part in the General Meeting of shareholders have the right to participate in the General Meeting of shareholders. The notice concerning a temporary registration must be made no later than on the date specified in the notice of the meeting, which must be a date subsequent to the record date of the General Meeting of shareholders. Nominee-registered shareholders are deemed to have registered for the General Meeting of shareholders if they have been entered temporarily into the register of shareholders. Shareholders may attend the General Meeting of shareholders in person or through an authorised representative.

Shareholders may have several representatives who represent them based on shares held in different securities accounts. If a shareholder takes part in the General Meeting of shareholders through several representatives, the Shares based on which each representative represents the shareholder must be announced when registering for the meeting. Representatives must present a proxy or other credible evidence of their authorisation. In addition, each shareholder and authorised representative may employ an assistant at the General Meeting of shareholders.

Voting Rights

A shareholder may attend and vote at General Meeting of shareholders in person or through an authorised representative. If holders of nominee-registered shares wish to take part in the General Meeting of shareholders and exercise their voting rights, they must temporarily register the shares under their own name in Lifeline SPAC I's register of shareholders maintained by Euroclear Finland. The notice concerning a temporary registration must be made no later than on the date specified in the notice of the meeting, which must be a date subsequent to the record date of the General Meeting of shareholders.

Resolutions made at General Meetings of shareholders generally require a simple majority of the votes. However, certain resolutions, such as amending the Articles of Association, issuing shares in deviation of the existing shareholders' pre-emptive subscription right and, in certain cases, making decisions on mergers or demergers, require a majority of at least two thirds of the votes cast and of the shares represented at the General Meeting of shareholders. In addition, certain resolutions, such as a mandatory redemption of the shares by the company in deviation from the shareholdings of the shareholders, require consent of all shareholders. The redemption of Lifeline SPAC I's series A shares, however, based on a shareholder's request as described in the Articles of Association in connection with the Acquisition, does not require consent of all shareholders.

Dividends and Other Distributions of Assets

In accordance with the practice prevailing in Finland, dividends on shares in a Finnish company are generally paid once a year and the dividend can only be paid after the General Meeting of shareholders has adopted the company's financial statements and resolved on the amount of dividends to be paid in accordance with the dividend distribution proposal of the Board of Directors. According to the Finnish Companies Act, the distribution of dividends may, however, also be based on the adopted financial statements prepared for that purpose during the financial year. The General Meeting of shareholders may also authorise the Board of Directors to resolve on the distribution of dividends. The authorisation will be valid at the latest until the beginning of the next Annual General Meeting of shareholders. A resolution on the distribution of dividends or granting of authorisation to the Board of Directors requires a majority decision at the General Meeting of shareholders.

The amount of dividends resolved on by the General Meeting of shareholders cannot exceed the amount proposed by the Board of Directors. According to the Finnish Companies Act, shareholders who hold at least ten per cent of the company's shares may, regardless of the proposal for the distribution of dividend at the General Meeting of shareholders, demand that, within the limits of distributable profit, at least half of the previous financial year's profit be distributed as dividends, from which any undistributed amount pursuant to the Articles of Association must be deducted. However, shareholders may at the most demand that eight per cent of the company's equity be distributed as dividends.

According to the Finnish Companies Act, the shareholders' equity is divided into restricted and unrestricted equity. The division has significance when determining the amount of distributable assets. Restricted equity consists of the share capital, revaluation surplus, fair value reserve and revaluation reserves. The share premium fund and the reserve fund are also included in restricted equity. Other equity reserves are included in unrestricted equity. The amount of dividends may not exceed the distributable assets in the latest adopted financial statements of the company less the funds that may not be distributed pursuant to any applicable provisions in the Articles of Association. Losses from the previous financial years and dividends distributed earlier in the current financial year reduce the amount of distributable assets. Significant changes in the company's financial position after the preparation of the previous financial statements must be taken into account upon resolving on the distribution of dividends. The amount of dividends that may be distributed is at all times subject to the company remaining liquid after the distribution of dividends. Consequently, no dividends may be distributed if, when resolving on the distribution it is known or should be known that the company is insolvent or the distribution would result in insolvency of the company. It is not possible to distribute the funds deposited in Lifeline SPAC I's escrow account in the Initial Listing as a dividend until the funds have been released from the escrow account.

Dividend and other distributions are paid to shareholders, or any parties named by the shareholders, included in the shareholders' register on the record date of the payment of dividends. The shareholders' 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. Dividends are not paid to shareholders who do not appear in the shareholder register. The right to dividends expires within three years from the payment date of the dividend. The series A shares carry equal rights to dividends and other distribution. Lifeline SPAC I's series B shares do not entitle to dividends or other distribution of assets. 94,995 new series A shares subscribed for by Lifeline SPAC I's Sponsors Timo Ahopelto, Petteri Koponen and Juha Lindfors do not affect the rights of the series A shares, but with respect to these shares the Sponsors have undertaken to waive their right to the distributive share in case of liquidation proceedings, dividend payment or other distributions of assets.

Treasury Shares

Under the Finnish Companies Act, a company may acquire its own shares. Resolutions on the acquisition of a company's own shares must be adopted at a General Meeting of shareholders. A General Meeting of shareholders may also authorise the Board of Directors for a fixed period of time, which cannot exceed 18 months from the decision of the General Meeting of shareholders, to resolve on the purchase of the company's own shares using unrestricted equity. The General Meeting of shareholders may resolve on a directed acquisition of the company's own shares, in which case the shares are not purchased from shareholders in proportion to their shareholdings. A directed acquisition is subject to weighty financial reasons on the part of the company. A public limited liability company may not, either directly or through its subsidiaries, hold more than ten per cent of its own shares. Treasury shares do not entitle the company to dividends or other rights attached to the shares. Lifeline SPAC I does not hold any of its own Shares.

Transfer of Shares

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 buyer's book-entry account as an account transfer. The sale is registered as an advance transaction until settlement and payment, after which the buyer is automatically registered in the company's register of shareholders. In case the shares are nominee-registered, the sale of the shares does not require any entries into the book-entry securities system, unless the nominee account holder is changed pursuant to the sale.

Redemption Right and Obligation and Mandatory Tender Offer

Under the Finnish Companies Act, a shareholder who holds shares representing more than 90 per cent of all shares and votes of the company is entitled to redeem the remaining shares in the company from other shareholders at the fair price. The Finnish Companies Act provides detailed provisions for the calculation of the said shares and votes. In addition, a shareholder whose shares may be redeemed in accordance with the above-mentioned, is entitled to request the majority shareholder to redeem the shares held in the company by the said shareholder. If a shareholding triggers the right and obligation for redemption, the company must immediately enter such right and obligation in the Trade Register. The Redemption Committee of the Finland Chamber of Commerce appoints a requisite number of arbitrators to resolve disputes related to the redemption and the redemption price. The redemption price will be determined based on the fair market price preceding the initiation of the arbitration proceedings.

The Finnish Securities Markets Act requires that a shareholder whose holding in a company exceeds 30 per cent or 50 per cent of the total voting rights attached to the shares of the company, after the commencement of a public quotation of such shares must make a public tender offer for all the remaining shares and securities with an entitlement to its shares issued by the company for fair value. For further information, see section "*Finnish Securities Markets – Regulation of the Finnish Securities Markets*".

Special Redemption Condition for Series A Shares in Accordance with the Articles of Association

Lifeline SPAC I's Articles of Association stipulate the conditions for how a shareholder of series A shares may require the redemption of their series A shares in connection with the Acquisition. The following terms and conditions are applied to the redemption of series A shares:

- Shareholders of series A shares who vote against the completion of the Acquisition at the General Meeting deciding on the Acquisition may require the redemption of their series A shares. The right of redemption requires that the Acquisition is approved and the shareholder has submitted a request for redemption of the shares to the Board of Directors of Lifeline SPAC I within 10 banking days, including that day, of the date of approval of the Acquisition by the General Meeting. The request must be made in writing in the manner and on the form provided by Lifeline SPAC I. The form must show the number of shares requested to be redeemed. Lifeline SPAC I will publish more detailed instructions on the exercise of the redemption right in connection with the publication of the notice convening the General Meeting.

- Submission of a redemption request for series A shares requires that the shareholder is entered in Lifeline SPAC I's shareholder register maintained in the book-entry system by the record date of the General Meeting at the latest.

- The redemption price is the subscription price paid in the Initial Listing, *i.e.* the redemption price is EUR 10 per share to be redeemed. The redemption price will be paid in cash according to a schedule decided by the Board of Directors.

- When a company redeems series A shares, a decision to redeem the shares must be made at the General Meeting, unless the General Meeting has authorised the Board of Directors to decide on the redemption of shares and provided that the redemption can be carried out with unrestricted equity. If restricted equity is used for the redemption, the redemption of shares is conditional on the consent of the creditors, in the manner required by the Finnish Companies Act.

The shares of a shareholder of series A shares may be redeemed in accordance with the above only if the shareholder declares on the redemption request form provided by Lifeline SPAC I that the shareholder does not belong to the group of persons who are not entitled to redeem their shares under the Main Market Rulebook and if the redemption can be implemented in accordance with Chapter 13 of the Finnish Companies Act on the distribution of assets.

Once the Board of Directors has determined that the redemption request meets the conditions set out in Lifeline SPAC I's Articles of Association, the Finnish Companies Act and other applicable legislation, as well as the Main Market Rulebook, Lifeline SPAC I will redeem the shares, as proposed by the Board of Directors for the EGM to be held on 23 August 2024, within three months from the EGM approving the Transaction. The redemptions of series A shares will be carried out by converting the shares required for redemption into a separate share class, which cannot be transferred until Lifeline SPAC I has completed the redemptions of the shares. If the redemption date is not a banking day, the redemption will take place on the banking day immediately following that day. The redemption price is paid using primarily Lifeline SPAC I's invested unrestricted equity. No interest is paid on the redemption price.

Conversion of Lifeline SPAC I's Series B Shares

Lifeline SPAC I's Articles of Association specify that Lifeline SPAC I's series B shares do not entitle to dividend, distribution of assets or distributive share in the event of its dissolution or deregistering from the Trade Register. However, series B shares can be converted 1:1 into Lifeline SPAC I's series A shares if the conditions specified in the Articles of Association are met. Series B shares shall be considered to have been converted into series A shares once the entry into the Trade Register has been made.

The conversion of Lifeline SPAC I's series B shares into series A shares is possible at the earliest after Lifeline SPAC I's General Meeting has approved the Acquisition. The exercise of the conversion right also requires that the closing price of Lifeline SPAC I's series A shares on the regulated market of Nasdaq Helsinki or the First North marketplace, where Lifeline SPAC I's series A shares are admitted to trading on Lifeline SPAC I's application, has exceeded the following limits ("**Share Price Limit**") during any ten trading days in the period of 30 trading days calculated from the date on which the General Meeting decides to approve the Acquisition or Acquisitions as defined in the Articles of Association:

- 8/50 can be converted when the price equals or exceeds EUR 10 per share.
- 21/50 can be converted when the price equals or exceeds EUR 12 per share.
- 21/50 can be converted when the price equals or exceeds EUR 14 per share.

If Lifeline SPAC I distributes funds as a dividend or other distribution of assets, the Share Price Limit will be decreased by the corresponding amount from the day following the record date of the distribution of assets. By way of derogation from the conversion right, the conversion right for all series B shares becomes effective if a tender offer for Lifeline SPAC I's Shares is announced or if the shareholder has the right and obligation to redeem the shares from other shareholders of Lifeline SPAC I under Chapter 18 of the Finnish Companies Act or in the event of any merger or demerger pursuant to the Finnish Companies Act in which Lifeline SPAC I is involved after the Acquisition.

Shareholders of Lifeline SPAC I's series B shares have the right to make a request to Lifeline SPAC I to convert the shares when the conditions for the conversion are fulfilled.

Foreign Exchange Control

Foreigners may acquire shares in a Finnish limited liability company without separate exchange control consent. Foreigners may also receive dividends without separate Finnish exchange control consent, but the company distributing dividend is liable to withhold withholding tax from the assets being transferred from Finland, unless otherwise specified in an applicable tax treaty. Foreigners that have acquired shares in a Finnish limited liability company may receive shares pursuant to a bonus issue or participate in a new subscription without separate exchange control consent. Foreign shareholders may sell their shares in a Finnish company in Finland, and the proceeds of such sales may be transferred out of Finland in any convertible currency. Finland does not have valid exchange control regulations that would restrict the sale of shares in a Finnish company to another foreigner.

FINNISH SECURITIES MARKETS

The following summary is a general description of the Finnish securities markets and it is based on the laws in effect in Finland on the date of this Company Description. The summary is not exhaustive.

About the First North Marketplace

The First North marketplace is Nasdaq's Nordic growth market, designed for small and growing companies. Companies listed on the First North marketplace 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 marketplace must engage a Certified Adviser whose role is to ensure that companies comply with applicable requirements and rules.

The First North marketplace 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 Directive 2014/65/EU 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 marketplace are subject to the Nasdaq First North Growth Market Rulebook for Issuers of Shares (the "**First North Rulebook**") but not the requirements for admission to trading on a regulated market. For further information, see section "– *Regulation of the Finnish Securities Markets*" below. The rules for issuers are set out in the First North Rulebook. For further information, see section "– *Trading and Settlement on the First North marketplace*" below.

The First North marketplace uses the same INET Nordic trading system as the Nasdaq Nordic main markets for trading in shares. The trading periods comprise a pre-trading session, a continuous trading session and a post-trading session. The trading periods and the respective trading hours are set out in a timetable in force from time to time, as made available by the Nasdaq Nordic stock exchanges at http://www.nasdaqomxnordic.com/tradinghours.

Trading and Settlement on the First North Marketplace

The First North marketplace is maintained by Nasdaq Helsinki, a member of the Nasdaq group. Pursuant to the First North Rulebook, the Trading Rules of the Main Market (*in Finnish: Nasdaq Helsinki Oy:n Arvopaperien Kaupankäyntisäännöt*) apply on the First North marketplace as set out in further detail in the First North Rulebook (including Supplement C – Finland).

Trading and clearing on the official list of Nasdaq Helsinki and thus also on the First North marketplace are carried out in euros, and the smallest possible price change (tick size) in securities quotations is dependent on the price of share. Price information is provided and published in euros only.

Lifeline SPAC I's Shares are issued and registered in the book-entry securities system maintained by Euroclear Finland. Trades in shares listed on the First North marketplace are settled bilaterally in Euroclear Finland's Infinity 2 clearing system. Such transactions are carried out on the second banking day after the trade date (T+2), unless otherwise agreed upon between the parties.

Regulation of the Finnish Securities Markets

The central act concerning the securities markets is the Finnish Securities Markets Act, which contains, among other things, regulations regarding companies and shareholders' disclosure obligation, the issuance of securities, prospectuses and public takeover bids. Regulation ((EU) No 596/2014, as amended, the "**Market Abuse Regulation**") of the European Parliament and of the Council regarding market abuse concerns, among others, companies subject to trading on regulated market and multilateral trading system, and it is applied to financial instruments subject to trading on the First North marketplace. The Market Abuse Regulation regulates, among other things, insider dealing, unlawful disclosure of insider information, market manipulation and disclosure of inside information. The Market Abuse Regulation sets forth obligations for, among other things, issuers' executives and their related entities and also market operators and investment service companies. In addition, the Market Abuse Regulation regulates market sounding, investment recommendations, and statistics and forecasts facilitated by public entities that can have a significant effect on financial markets. The FIN-FSA and Nasdaq Helsinki have provided more detailed regulation under the

Finnish Securities Markets Act. The FIN-FSA supervises compliance with these regulations and the operation of security markets in Finland.

The Finnish Securities Markets Act and the Market Abuse Regulation specify minimum requirements for disclosure obligation for Finnish companies applying for listing of securities subject to multilateral trading, or making a public offering of securities in Finland. The information provided must be sufficient to enable a potential investor to make a sound evaluation of the securities being offered and of the issuer as well as of matters that may have a material effect on the value of the securities. The issuer of securities subject to multilateral trading has an obligation to disclose any matters likely to have significant effect on the value of the securities. The First North Rulebook also includes an obligation to regularly publish financial information concerning company and other requirements regarding a continuous disclosure obligation. Information disclosed has to be kept accessible to the public. Pursuant to the Market Abuse Regulation, the issuer of a publicly traded security has the obligation to disclose insider information, which directly concerns that issuer, as soon as possible. The issuer may delay disclosure of inside information provided that all of the conditions set forth in the Market Abuse Regulation are met. The disclosed information has to provide an investor with adequate information for making a justified assessment of the security and its issuer.

Pursuant to the Finnish Securities Market Act, a shareholder of a Finnish company trading on a multilateral trading system is required, without undue delay, to notify said company and the FIN-FSA when its voting interest in or its percentage ownership of the total number of shares in the company reaches, exceeds, or falls below 5 per cent, 10 per cent, 15 per cent, 20 per cent, 25 per cent, 30 per cent, 50 per cent, 66.67 per cent (2/3), or 90 per cent, calculated in accordance with the Finnish Securities Markets Act, or when it has on the basis of a financial instrument the right to receive an amount of shares that reaches, exceeds, or falls below any such threshold. If a company listed on the First North marketplace receives information indicating that a voting interest or ownership interest has reached, exceeded, or fallen below any of these thresholds, it must, without undue delay, publish such information.

The Finnish Securities Markets Act regulates takeover bids for shares subject to public trading on a regulated market or on a multilateral trading system or securities entitling to such shares. The regulation applies to voluntary takeover bids for shares subject to trading in a multilateral trading system or securities entitling to shares. 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 FIN-FSA must approve the tender offer document after which it can be made public and notified to the holders of the securities, the organiser of multilateral trading 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 management of the target company must issue a statement on the tender offer. The requirements of law regarding the determination of type and amount of offer consideration and regulations regarding increasing and compensation obligation of offer consideration are applied also to a takeover bid made for shares subject to multilateral trading.

According to the Finnish Securities Market Act, a shareholder whose holding increases to more than 30 per cent or more than 50 per cent of the voting rights attached to shares in a company after the shares or securities entitling to such shares in the company have been entered into public trading on the regulated market or, on the issuer’s application or with the issuer’s consent, on a multilateral trading facility, is obligated to make a public offer for all remaining shares and securities entitling to such shares in the company at fair value (mandatory takeover bid).

The Finnish Corporate Governance Code and the Helsinki Takeover Code, published by the Securities Market Association, do not bind companies listed on the First North marketplace. However, the offeror and target company must disclose whether they shall comply with the Takeover Code and if not, give grounds for non-compliance with the code.

The regulations set out in the Finnish Limited Liability Companies Act (624/2006, as amended) (the “**Finnish Companies Act**”) on the redemption of minority shares are applicable to shares subject to multilateral trading. Therefore, a shareholder that holds more than nine tenths of all shares and votes in a company has the right, for the fair price, to redeem the shares of other shareholders. In addition, if a shareholder holds more than nine tenths of all shares and votes in a company, a minority shareholder is entitled to demand redemption of its shares by such majority shareholder.

Any abuse of the securities markets, such as the abuse of insider information, unlawful disclosure of insider information, market manipulation and breach of disclosure obligation, is punishable under the Finnish Penal Code (39/1889, as amended). In addition, 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. Such sanctions include, for example, administrative fine, public warning or penalty payments for any applicable neglect or breach of regulations on market abuse. Nasdaq Helsinki may also issue disciplinary sanctions for breaches of the First North Rulebook.

The Finnish Book-Entry 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 registered in book-entry form. The issuer has the right to choose the Central Securities Depository in which its securities are recorded. At the date of this Company Description, Euroclear Finland acts as the Central Securities Depository in Finland. Euroclear Finland maintains a book-entry securities register for both equity and debt securities. The registered address of Euroclear Finland is Urho Kekkosen katu 5C, FI-00100 Helsinki.

Euroclear Finland maintains a company-specific register of shareholders for each company participating in the book-entry securities system. The account operators, which may include, among others, credit institutions and investment firms are entitled to make entries in the book-entry register and administer the book-entry accounts.

Registration

All shareholders in companies participating in the book-entry securities system must open a book-entry account with an account operator or agree with a custodial account holder to maintain book-entry securities on a custodial nominee account. A Finnish shareholder is not entitled to hold his/her shares on a nominee-registered book-entry account in the Finnish book-entry system. Non-Finnish shareholders may deposit book-entries in a custodial nominee account, where the shares are registered in the name of a custodial account holder in the company's shareholders' register. 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 managed on behalf of one or more customers can be registered in a custodian nominee account. In addition, the shares owned by a foreigner, foreign entity or trust may be registered in a nominee-registered owner account, in which case the book-entry account is opened in its name, but the custodial account holder is entered in the company's shareholders' register.

All transfers of securities linked with the book-entry securities system are executed as computerised book-entry transfers. The account operator regularly submits to the holder of the respective book entry account, at least four times a year, a notification indicating book entries made to the account after the previous notification. 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 certain 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. Euroclear Finland and the account operators are required to observe confidentiality. However, according to the Finnish Companies Act, a company must keep the shareholder 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 also on the holders of shares registered in a custodial nominee account upon request.

Each account operator is liable for any errors and omissions in the book-entry register it administers, and for any unauthorised disclosure of information. If an account holder has suffered a loss as a result of a faulty registration or an amendment to or the removal of rights related to registered securities and the account operator is not able to compensate such loss, such account holder is entitled to receive compensation from the statutory registration fund. The capital of the registration fund must be at least 0.0048 per cent of the average of the total market value of the book-entries kept in the book-entry securities system during the last five years, however no 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 the Shares and Nominees

A non-Finnish shareholder may appoint an account operator (or certain other Finnish or non-Finnish organizations approved by Euroclear Finland) to act on its behalf as a custodial nominee account holder. By virtue of nominee-registered shares, no other rights belonging to the owner in relation to the issuer as an owner of the book-entry can be used, than the right to withdraw funds, amend or change book-entry and participate in a share issue or other book-entry issue A beneficial owner wishing to attend general meetings of shareholders must seek a temporary registration in the shareholders' register. The notification regarding the temporary registration must be done on the date mentioned in the relevant notice of the general meeting, which date is after the record date of the general meeting. Temporary registration in the shareholders' register requires that the owner of the nominee-registered shares has, based on shares, the right to be registered in the company's shareholders' register on the record date. A holder of nominee-registered shares temporarily registered in the shareholders' register shall be deemed to have enrolled to the meeting.

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 the 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 said information in respect of the representative acting on behalf of the beneficial owner and to submit a written declaration to the effect that the beneficial owner of the shares is not a Finnish natural person or a Finnish legal entity.

Compensation Fund for Investors and Deposit Guarantee Fund

The Finnish Act on Investment Services (747/2012, as amended) sets forth a compensation fund for investors. Under this 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 presumed to be non-professional investors.

Investment firms and credit institutions must belong to the compensation fund. The membership requirement does not apply to an investment firm who solely transmits orders, provides investment advisory services or organises multilateral trading as investment service and who does not have client funds in its custody or under its management. The compensation fund safeguards payment of clear, indisputable and due claims of the investors when an investment firm or 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 of the investors within a determined period of time. The compensation fund only compensates claims of non-professional investors. For valid claims, the compensation fund will pay 90 per cent of the investor's claim against each investment firm 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, whereby the investors remain responsible for the consequences of their investment decisions. According to the Act on the Financial Stability Authority (1195/2014, as amended), depositary banks must belong to a deposit guarantee fund, which is intended to safeguard payments of receivables in the depositary bank's account or receivables in the forwarding of payments that have not yet been entered into an account if the depositary bank becomes insolvent and the insolvency is not temporary. The customers of a depositary bank can be compensated by the deposit guarantee fund up to a maximum of EUR 100,000. An investor's funds can be safeguarded either by the deposit guarantee fund or the compensation fund; however, an investor's funds cannot be safeguarded by both funds at the same time.

TAXATION IN FINLAND

The following summary is based on tax laws of Finland, Finnish case law and Finnish tax practice as in effect and applied on the date of this Company Description. Any changes in tax laws and their interpretation may affect taxation and they may also have a retroactive effect. The summary is not exhaustive and does not take into account or deal with the tax laws of any country other than Finland. Prospective investors considering subscribing for the Listing Shares are advised to consult a tax advisor in order to obtain information about Finnish or foreign tax consequences resulting from the Listing as well as the subscription, ownership and disposition of the Listing Shares. Prospective investors should consult a tax advisor with respect to the Finnish or foreign tax consequences applicable to their particular circumstances.

The following is a description of the material Finnish income tax and transfer tax consequences that may be relevant with respect to subscribing for the Listing Shares. For sake of clarity, the following does not include description of the tax treatment of the Transaction. 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 on the Listing Shares and capital gains arising from the sale of the Listing Shares.

The following description does not take into account or discuss tax laws of any other country than Finland and does not address tax considerations applicable to such holders of the Listing 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 or general or limited partnerships. Furthermore, this description does not address Finnish inheritance or gift tax consequences.

This description is primarily based on:

- The Finnish Income Tax Act (1535/1992, as amended, the "**Finnish Income Tax Act**");
- The Finnish Business Income Tax Act (360/1968, as amended, the "**Finnish Business Income Tax Act**");
- The Act on the Taxation of Income of a Person Subject to Limited Tax Liability (627/1978, as amended);
- The Finnish Transfer Tax Act (931/1996, as amended); and
- The Finnish Act on Tax Assessment (1558/1995, as amended, the "**Finnish Tax Assessment 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 Company Description have been taken into account.

The following description is subject to change, which change could apply retroactively and could, therefore, affect the tax consequences described below.

General on Taxation

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 taxed on income from Finnish sources only. Additionally, Finland imposes taxes on non-residents for income connected with their permanent establishments situated in Finland. However, tax treaties may limit the applicability of Finnish tax legislation and also the right of Finland to tax Finnish source income received 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 it is proven that no substantial ties to Finland existed during the relevant tax year.

Earned income is taxed at progressive rates. At the date of this Company Description, capital income tax rate is 30 per cent. 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 per cent 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. At the date of this Company Description, the corporate income tax rate is 20 per cent.

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

Taxation of Dividends and Distribution of Funds from Unrestricted Equity Capital

Distribution of funds from unrestricted equity capital by a publicly listed company as defined in the Finnish Income Tax Act ("**Listed Company**") is taxed as distribution of dividends. Therefore, the following applies also to the distribution of funds from unrestricted equity capital of the Combined Company.

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 per cent of dividends paid by a Listed Company to such shareholder is considered capital income of the recipient, which is taxable at the rate of 30 per cent (34 per cent on the amount that exceeds EUR 30,000 in a calendar year), while the remaining 15 per cent is tax exempt. 85 per cent of dividends paid by a Listed Company to a natural person whose underlying shares belong to the business activity of such shareholder is taxable partly as earned income, which is taxed at a progressive rate, and partly as capital income, which is taxed at a rate of 30 per cent (34 per cent on the amount that exceeds EUR 30,000 in a calendar year), and the remaining 15 per cent is tax exempt.

Distribution of dividends by a Listed Company to resident natural persons is subject to advance tax withholding. At the date of this Company Description, the amount of the advance tax withholding is 25.5 per cent of the amount of dividend paid. The advance tax withheld by the distributing company is credited against the final tax payable by the shareholder for the dividend received. If a Finnish resident shareholder is holding the shares through a nominee account, the tax is withheld at rate of 50% if a Listed Company or the custodian closest to the shareholder does not receive or the custodian cannot deliver to the Finnish Tax Administration the shareholder's identification information.

Resident Natural Persons have to review their pre-filled income tax return form to confirm that the amount of dividend income reported is correct. In case the amount of dividend income or withheld tax reported in the pre-filled income tax return form is incorrect, the resident natural persons must correct these amounts to their tax returns and provide the corrected tax returns to the Finnish tax authorities.

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 per cent of the dividend is taxable income while the remaining 25 per cent is tax exempt. Only banking, insurance and pension institutions may have investment assets.

Dividends received by a non-listed Finnish company (i.e., a privately held company) from a Listed Company are taxable income subject to 20 per cent corporate income tax rate. However, in cases where the privately held company directly owns 10 per cent or more of the share capital of the Listed Company distributing the dividend, the dividend received on such shares is tax exempt, provided that the underlying shares are not included in the investment assets of the shareholder.

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. Generally, the withholding tax rate is 20 per cent for non-resident corporate entities as income receivers and 30 per cent for all other non-residents unless the shares are held in a nominee account in which case the applicable tax rate may be 35 per cent as set out below.

Finland has entered into double taxation treaties with several countries pursuant to which the withholding tax rate is reduced on dividends paid to persons entitled to the benefits under such treaties. When the shares are not held in a nominee account, 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.

In respect of the dividends paid for nominee-registered shares, the tax treaty based withholding tax rate is applied if the payor of the dividend or the custody closest to the dividend recipient which is registered into the

Finnish Tax Administration's Register of Authorised Intermediaries, as intended in Section 10 d of the Finnish Tax Assessment Act, at the time of dividend distribution has carefully confirmed the state of residence of the dividend recipient and that the tax treaty provisions considering dividends can be applied to the dividend recipient. Instead of the reduced tax treaty rates, withholding tax rate of 35% is applied to dividend paid to nominee-registered shares if the dividend recipient's identification information is not provided to the dividend distributor or the custodian and the dividend distribution cannot thus be identified and the payor or the registered intermediary cannot therefore provide the identification information on the dividend recipient to the Finnish Tax Administration in their annual information returns. Withholding tax rate of 30 per cent is applied if the dividend recipient can be identified but there is no certainty on the withholding tax rate appliable to the dividend recipient. However, in this case the withholding tax rate is 20 per cent if the dividend recipient is identified as corporation.

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), and that directly hold at least 10 per cent 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 are 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.

In Finland, no withholding tax is levied on dividends paid by a Finnish company to a non-resident company provided that (i) the company receiving the dividend is resident in a country within the EEA; (ii) Council Directive 2011/16/EU on administrative cooperation in the field of taxation and repealing Directive 77/799/EEC (as amended, 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 company receiving the dividend corresponds to a Finnish corporate entity as defined in Section 33d Subsection 4 of the Finnish Income Tax Act or in Section 6a 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 the applicable double taxation treaty.

In cases where the dividend received by a foreign company fulfilling requirement set forth in point (iii) above and residing within a country fulfilling the requirements set forth in points (i) and (ii) above would be only partially tax exempt if paid to a corresponding Finnish entity (see "– *Finnish Limited Liability Companies*" above), the Finnish withholding tax is levied (see "– *Non-Residents*" above), but the withholding tax rate in respect of such dividends is reduced to 15 per cent (instead of 20 per cent). Therefore, exclusive of entities defined in the Parent Subsidiary Directive that qualify for a tax exemption through the direct ownership of at least 10 per cent of the capital in the distributing Finnish company (see "– *Certain Qualifying Non-Resident Corporate Entities Residing in EU Member States*" above), the 15 per cent withholding tax rate is applicable to dividends paid to non-resident companies fulfilling the requirement set forth in point (iii) above and residing within a country fulfilling the requirements set forth in points (i) and (ii) above if the underlying shares in the Finnish company distributing the dividend belong to the investment assets of the recipient company, or if the recipient is not a Listed Company. Depending on the applicable double taxation treaty, the applicable withholding tax rate can also be less than 15 per cent (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 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 double taxation treaty.

Taxation of 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. At the date of this Company Description, capital gains are taxed at a rate of 30 per cent (34 per cent on the amount that exceeds EUR 30,000 in a calendar year). If the shares belong to the business activity (business income source) of the seller, any gain arising from the sale is deemed to be business income of the seller, which will be divided according to the Finnish Income Tax Act to be taxed as earned income at a progressive tax rate and capital income at a rate of 30 per cent (34 per cent on the amount that exceeds EUR 30,000 in a calendar year).

Capital loss arising from the sale of shares that do not belong to the business activity of the shareholder is primarily deductible from the resident natural person's capital gains and secondarily from other capital income of the same year and during the following five tax years. Capital losses are not taken into account when calculating the capital income deficit for the tax year, and they do not increase the amount of the deficit credit that is deductible from the taxes 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 assets 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 that are not included in the business activity of the shareholder may, instead of deducting the actual acquisition costs, choose to apply a presumptive acquisition cost, which is equal to 20 per cent of the sales price, or in the case of shares which have been held for at least ten years, 40 per cent 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.

Resident natural persons have to report information relating to the sale of the Shares on their income tax return of the tax year concerned.

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 asset 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 is generally included in the business income of a Finnish company. Correspondingly, the acquisition cost of shares is deductible from business income upon disposal of the shares with the below exemptions on shares belonging to fixed assets or other assets.

An exemption for capital gains on share disposals is available for Finnish companies, provided that certain strictly defined requirements are met. Under this 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 as taxable business income and, correspondingly, capital losses incurred on the sale of such shares are not tax deductible provided, among other things, that (i) the selling company has directly and continuously for at least one year owned at least 10 per cent of the share capital in the company whose shares are sold and such ownership of the sold shares has ended at the most one year before the sale and the shares sold belong to those 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, on a factual basis, mainly consist of ownership or possession of real estate; and (iii) the company whose shares are sold is resident in Finland or is a company located in another EU member state, as further specified in Article 2 of the Parent Subsidiary Directive (2011/96/EU, as amended), or is resident in a country with which Finland has entered into a double taxation treaty that is applicable to dividends.

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 fixed assets shares 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.

The capital loss on shares belonging to other assets of the company are deductible only from capital gains relating to asset belonging to the same asset category during the tax year in question and following five years.

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 Income Tax Act and an applicable tax treaty and the shares are considered to be assets of that permanent establishment. Non-residents may also be subject to Finnish taxes on capital gains realized on the sale of shares in a Listed Company if more than 50 per cent of the assets of the Listed Company consist of Finnish real estate, unless applicable tax treaty limits the taxing right of Finland on capital gains.

Finnish Transfer Tax

There is no transfer tax payable in Finland in connection with the issuance and subscription of new shares.

No transfer tax is payable in Finland on transfers of shares admitted to trading on a public and regularly functioning marketplace and multilateral trading facilities as intended in Act on Trading in Financial Instruments (1070/2017), such as First North marketplace, where the shares have become subject to public trading based on application or acceptance of a Listed Company and are recorded to book-entry-system provided that the transfer is made against a fixed pecuniary consideration. The transfer tax exemption requires that an investment firm, a foreign investment firm or other party offering investment services, as defined in the Finnish Investment Services Act (747/2012), 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, a 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 notification of the transfer to the Finnish tax authorities within two months of the transfer, or that the broker submits an annual declaration regarding the transfer to the Finnish tax authorities as set forth in the Finnish Tax Assessment Act.

Certain separately defined transfers, such as those relating to equity investments or distribution of funds or transfers in which consideration comprises in full or in part of work contribution, are not covered by the transfer tax exemption. Additionally, in case law it has been considered that if an incentive scheme remuneration of key persons is paid in cash and the receiver of the remuneration is obliged to purchase shares of the Listed Company with a part of the remuneration, consideration of the share purchase comprises in full or in part of work contribution, and is thus subject to transfer tax.

Neither does the exemption apply to transfers carried out on the basis of an offer made after trading with the securities has ended or before the commencement of trading unless it concerns a share sale of old shares based on a combined purchase and subscription offer directly relating to a share issue carried out in connection with the listing of the shares and provided that subjects to be transferred are specified only after commencement of the trading and that the purchase price corresponds to the price to be paid for the new shares. In addition, the exemption does not apply to transfers carried out in order to fulfil the obligation to redeem minority shares under the Finnish Companies Act (see "*Shareholders' Rights – Redemption Right and Obligation and Mandatory Tender Offer*").

If the transfer or sale of the shares does not fulfil the above criteria for a tax exempt transfer, transfer tax at the rate of 1.5 per cent of the sales price is payable by the purchaser. However, if the purchaser is neither a 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 and pay the tax to the Finnish tax authorities. If the broker is a Finnish investment firm or credit institution, or a Finnish branch or office of a foreign investment firm or credit institution, it is liable to collect the transfer tax from the purchaser and pay the tax to the Finnish tax authorities. If neither the purchaser nor the seller is tax resident in Finland or a Finnish branch or office of a foreign credit institution, foreign investment firm, foreign fund management company or EEA alternative investment fund manager, the transfer of shares will be exempt from Finnish transfer tax unless shares in a real estate company are transferred. No transfer tax is collected if the amount of the tax is less than EUR 10.

DOCUMENTS ON DISPLAY

Copies of the following documents may be inspected during the period of validity of this Company Description on the website of Lifeline SPAC I at https://www.lifeline-spac1.com/combination-of-lifeline-spac-i-and-canatu/:

- Company Description
- The Articles of Association of Lifeline SPAC I as in force on the date of this Company Description
- The Articles of Association of Canatu as in force on the date of this Company Description
- Independent practitioner's assurance report on the compilation of pro forma financial information included in this Company Description to the Board of Directors of the Lifeline SPAC I
- Canatu's audited financial statements and auditor's reports as at and for the years ended 31 December 2023, 31 December 2022 and 31 December 2021
- Documents incorporated by reference into this Company Description

DOCUMENTS INCORPORATED BY REFERENCE

The following documents have been incorporated by reference in this Company Description and they form a part of the financial information of Lifeline SPAC I. Should any of the documents incorporated by reference into this Company Description refer to or incorporate by reference any further information, such information is not incorporated by reference into and does not form a part of this Company Description. The documents that have been incorporated by reference into this Company Description are available for review during the validity period of this Company Description at Lifeline SPAC I's website https://www.lifeline-spac1.com/combination-of-lifeline-spac-i-and-canatu/.

- Lifeline SPAC I's interim financial report as at and for the six months ended 30 June 2024
- Lifeline SPAC I's audited financial statements, reports of the Board of Directors and auditor's reports as at and for the financial years ended 31 December 2023 and 31 December 2022 and for the period from 13 August to 31 December 2021

APPENDIX A – ARTICLES OF ASSOCIATION OF CANATU PLC (UNOFFICIAL ENGLISH TRANSLATION)

1 COMPANY NAME

The name of the company is Canatu Oyj, and its English parallel trade name is Canatu Plc.

2 DOMICILE

The domicile of the company is Helsinki, Finland.

3 LINE OF BUSINESS

The company's line of business is research, development, enhancement, manufacturing and utilization of and trading in nanotechnological materials, applications, equipment and methods, as well as engaging in other business related to the field and its applications, such as offering consulting and other services. The business operations may be conducted either directly or via affiliated companies or other group companies. In addition, the company may engage in other business activities as well as own and hold real estate, securities and other movable property.

4 SHARES

The shares in the company are divided into three separate share series, series A, B and C shares. All shares in the company shall confer equal voting and economic rights, save for the exclusion of right to dividend and distribution of assets and of the right to distributive share in the event of dissolution of the company of series B shares. The shares of the company have no nominal value.

Each series A, B and C share shall carry one (1) vote unless otherwise stipulated in these Articles of Association.

The series B shares shall have no right to dividend or other distribution of assets.

The series B shares shall have no right to distributive share or other right to assets of the company in connection with the dissolution of the company or deregistration of the company from the Finnish Trade Register.

5 CONVERSION OF SERIES B SHARES

A holder of series B shares has the right to demand conversion of their series B shares into series A shares in accordance with this Article 5 at a 1:1 conversion ratio. A series B share shall be considered to have been converted into a series A share once the entry into the Finnish Trade Register has been made.

Conversion of series B shares into series A shares may be demanded at the earliest when a conversion right has become exercisable in accordance with "Conversion based on the Share Price Limit" below, unless the conversion right has been exercised in accordance with "Conversion based on certain Conversion Events" below.

Conversion based on the Share Price Limit

Any conversion right becomes exercisable, and shall always remain exercisable, after the trading day on which the closing price of the series A shares on Nasdaq Helsinki, or other regulated market or an MTF on which the series A shares have been admitted to trading on the company's application, during any ten (10) days in the period of any consecutive thirty (30) trading days calculated after the date on which the company's General Meeting decides to approve an acquisition as referred to in section 2.18. of the Nasdaq Helsinki "Rulebook for Issuers of Shares" (version entered into force on 1 January 2024), equals or exceeds the below threshold of a series A share ("**Share Price Limit**"):

a) equals or exceeds EUR 10.00, in which case 8/50 (i.e. 16 per cent) of series B shares can be converted into series A shares;

b) equals or exceeds EUR 12.00, in which case 21/50 (i.e. 42 per cent) of series B shares can be converted into series A shares;

c) equals or exceeds EUR 14.00, in which case 21/50 (i.e. 42 per cent) of series B shares can be converted into series A shares.

In case the number of convertible series B shares is a fractional number, the fractions shall be rounded up or down to nearest integer in accordance with standard rounding rules.

If the company, at any time while series B shares are outstanding, pays a dividend or makes a distribution in cash, securities or other assets on series A shares (a "**Dividend**"), then the Share Price Limit shall be decreased, effective immediately following the record date of such Dividend, by the amount of cash and the fair market value (as determined by the company's Board of Directors in good faith) of any securities or other assets paid on a series A share in respect of such Dividend, on a euro-for-euro basis.

Conversion based on certain Conversion Events

In derogation from the conversion right based on the Share Price Limit as set out above, the conversion right in respect of all series B shares will become exercisable, and will always remain exercisable, if a tender offer for the company's shares is announced, or if a shareholder has pursuant to Chapter 18 of the Finnish Companies Act the right and obligation to redeem the shares from the company's other shareholders, or in the event there occurs any statutory merger or demerger in which the company is involved (each a "**Conversion Event**").

All series B shares can be converted into series A shares immediately following the announcement of a Conversion Event.

A written demand addressed to the company concerning the conversion shall specify the relevant Share Price Limit(s) or a Conversion Event, the number of shares to be converted and the book-entry account in which the book-entry securities representing the shares have been recorded. The company may request a restriction on the disposal right of the shareholder to be entered on the book-entry account of the relevant shareholder for the period of the conversion procedure. The company shall notify the changes in the number of shares resulting from the conversion with the Finnish Trade Register at the earliest on the day following the record date of the investor warrants. The shareholder who made the demand and the book-entry registrar will be informed of the registration of the conversion. The Board of Directors shall provide further instructions on the process of the conversion.

6 CONVERSION OF SERIES C SHARES

All outstanding series C shares will be automatically converted into series A shares at the end of the day 60 days after the entry into force of these Articles of Association at a 1:1 conversion ratio. If the date of conversion of the series C shares is not a business day or conversion is not possible on that date for some other reason, the Board of Directors of the company may decide that the series C shares are converted immediately on the next possible date. After the conversion, no new series C shares may be issued.

7 CONSENT CLAUSE IN RESPECT OF SERIES B SHARES

The consent of the company's Board of Directors is required to acquire series B shares by means of any direct or indirect sale, transfer, assignment, gift, placement in trust (voting or otherwise) or other disposition of any kind to any person.

The consent clause does not concern nor apply to succession, partition of property due to divorce or other acquisitions under family or inheritance law based on matrimonial rights to property, such as acquisitions based on adjustment, inheritance or will.

8 REDEMPTION CLAUSE IN RESPECT OF SERIES B SHARES

If a series B share is transferred in any manner to a new owner other than the company itself, including to any existing shareholder of the company, the transferee must without delay inform the Board of Directors of the transfer and its terms and conditions and the company itself (or a party or parties appointed by the company) shall have the right to redeem the share on the following conditions:

The right of redemption does not concern nor apply to succession, partition of property due to divorce or other acquisitions under family or inheritance law based on matrimonial rights to property, such as acquisitions based on adjustment, inheritance or will.

The company or the party appointed by it shall decide upon the exercise of the redemption right and present its claim for redemption to the transferee within two (2) weeks of the date when the transferee informed the company of the transfer.

The redemption price shall be the price agreed between the transferor and the transferee or EUR 0.04 for each series B share, whichever is lower.

The redemption price shall be paid to the transferee within two (2) weeks of the date of presenting a request for redemption in cash, by wire transfer to a bank account designated by the transferee or as a check certified by a bank, or it shall within the same time be deposited with a competent public authority.

9 INCORPORATION IN THE BOOK-ENTRY SYSTEM

The shares of the company are incorporated in the book-entry system of securities.

10 BOARD OF DIRECTORS

The Board of Directors of the company consists of at least five and at most eight ordinary members. The Sponsor Representatives defined in Article 11 are included in the count of ordinary members of the Board of Directors, and the General Meeting appoints the other three to six ordinary members.

When 24 months have passed since the entry into force of these Articles of Association, the right to appoint Sponsor Representatives by a special order of appointment ceases and the five to eight members are appointed by the General Meeting in accordance with the rules of the Finnish Companies Act.

11 SPECIAL ORDER OF APPOINTMENT OF BOARD MEMBERS

Timo Ahopelto, Kai Bäckman, Petteri Koponen, Juha Lindfors and Tuomo Vähäpassi (jointly, the "**Sponsors**") shall have the right upon written notice to the company to appoint two Sponsor Representatives to the company's Board of Directors (the member of the company's Board of Directors appointed under this Article is called a "**Sponsor Representative**").

The Sponsors shall have the right upon written notice to the company (i) to remove any Sponsor Representative then serving as a member of the Board of Directors, and (ii) subject to following paragraph, to appoint a new Sponsor Representative to replace any Sponsor Representative who (A) is unable to serve as a member of the Board of Directors for any reason, or (B) is removed (upon death, resignation, by operation of a termination notice by the Sponsors, or other reason).

At least ten (10) banking days prior to submitting any notice to appoint a Sponsor Representative, the Sponsors shall (i) notify the company of the name of the potential Sponsor Representative and present them to the company in good faith, (ii) provide, or cause such Sponsor Representative to provide, the company with the Sponsor Representative's curriculum vitae and a completed director's questionnaire, which shall be signed by the potential Sponsor Representative, in the form then used by the members of the Board of Directors not appointed by the Sponsors, and (iii) discuss with the company and consider in good faith any reasonable objections raised by the company against a potential Sponsor Representative.

The Sponsors are not permitted to appoint as Sponsor Representative any individual who would be prohibited or disqualified from serving as a member of the Board of Directors pursuant to any applicable rules or regulations of Nasdaq Helsinki Ltd or pursuant to the Finnish Companies Act. The Sponsor Representatives are not required to be independent of Lifeline Ventures Fund Management Ltd., LLV Fund Management Ltd, or Lifeline Ventures fund management companies under the Finnish Corporate Governance Code.

The appointment of the Sponsor Representative to the company's Board of Directors shall be effective upon receipt of the written notice of appointment sent by the Sponsors to the company. The company and the Board of Directors shall take all actions necessary to cause the registration of each Sponsor Representative with the Finnish Trade Register as promptly as practicable.

The right to appoint members to the Board of Directors by special order of appointment as defined in this Article ceases when 24 months have passed from the entry into force of these Articles of Association.

12 CHIEF EXECUTIVE OFFICER

The company may have a Chief Executive Officer appointed by the Board of Directors.

13 FINANCIAL PERIOD

The company's financial period starts on 1 January and ends on 31 December.

14 AUDITOR

The company shall have an auditor that is an audit firm approved by the Finnish Patent and Registration Office. The auditor's term of office ends at the end of the next Annual General Meeting following their election.

15 REPRESENTATION

The Company is represented by the Board of Directors. In addition, the Chief Executive Officer and the chair of the Board of Directors both have the right to represent the company alone. In addition, two members of the Board of Directors have the right to represent the company jointly. Additionally, the Board of Directors may grant a designated person a procuration or the right to represent the company alone or jointly with another person holding the right to represent the company. The Board of Directors may revoke the right thus granted at any time.

16 NOTICE OF THE GENERAL MEETING

The notice of the General Meeting is published on the company's website and, if so decided by the Board of Directors, in one or more national newspapers selected by the Board of Directors at least 3 months and at the latest three weeks before the General Meeting. However, the notice of a General Meeting must be delivered no later than nine (9) days before the record date of the General Meeting referred to in the Finnish Companies Act.

General Meetings may be held in Espoo or in Vantaa in addition to the company's domicile.

17 REGISTRATION TO THE GENERAL MEETING

In order for a shareholder to be able to attend and use their right to speak and vote at the General Meeting, a shareholder must register in the manner indicated in the notice of the General Meeting, and at the latest on the date mentioned in the notice of the meeting, which may be no earlier than ten (10) days prior to the General Meeting.

18 ANNUAL GENERAL MEETING

The Annual General Meeting must be held annually within six (6) months of the end of the financial period on a date to be determined by the Board of Directors.

At the meeting, the following shall be

presented:

1. the financial statements;

2. the auditor's report;

resolved on:

3. the adoption of the financial statements, which in the parent company also includes the adoption of the consolidated financial statements;

4. the use of the profit shown in the adopted balance sheet;

5. the discharge of the members of the Board of Directors and the Chief Executive Officer from liability;

6. the number of members of the Board of Directors;

7. the remuneration of the members of the Board of Directors and auditors;

elected:

8. the members of the Board of Directors;

9. the auditor;

and addressed:

10. other matters possibly indicated in the notice of the meeting.

KPMG

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Independent practitioner's assurance report on the compilation of pro forma financial information included in a company description

To the Board of Directors of Lifeline SPAC I Plc

We have completed our assurance engagement to report on the compilation of pro forma financial information of Lifeline SPAC I Plc ("Company") prepared by the board of directors of Lifeline SPAC I Plc. The unaudited pro forma financial information comprises the pro forma balance sheet as at 31 December 2023, the pro forma income statement for the twelve-month period ended 31 December 2023, and related notes and key figures, and it is set out in section "Unaudited Pro Forma Financial Information" of the company description dated 2 August 2024 issued by the Company. The applicable basis used by the board of directors of Lifeline SPAC I Plc in preparing the pro forma financial information is described in the section "Unaudited Pro Forma Financial Information" of the company description.

The pro forma financial information has been compiled by the board of directors to illustrate the impact of the transaction described in section "Pro Forma Financial Information" of the company description on Lifeline SPAC I Plc's financial position as at 31 December 2023 and the Company's financial performance for the twelve-month period ended 31 December 2023, as if the transaction had taken place at 31 December 2023 for the pro forma balance sheet and at 1 January 2023 for the pro forma income statement. As part of this process, information about Lifeline SPAC I Plc's financial performance has been extracted by the board of directors from Lifeline SPAC I Plc's financial statements for the period ended 31 December 2023, on which an audit report has been published.

The board of directors' responsibility for the pro forma financial information

The board of directors is responsible for compiling the pro forma financial information in the section Unaudited Pro Forma Financial Information.

The Practitioner's Independence and Quality Management

We are independent from Lifeline SPAC I Plc according to the ethical requirements in Finland and we have complied with other ethical requirements, which apply to the engagement conducted.

The practitioner applies International Standard on Quality Management (ISQM 1), which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The practitioner's responsibilities

Our responsibility is to express an opinion, as to whether the pro forma financial information has been compiled, in all material respects, by the board of directors on the basis stated and whether that basis is consistent with the accounting policies applied by the issuer.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE 3420) *Assurance engagements to report on the compilation of pro forma financial information*, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner plan and perform procedures to obtain reasonable assurance as to whether the pro forma financial information has been compiled by the board of directors, in all material respects, in accordance with basis stated in the section "Unaudited Pro Forma Financial Information" of the company description.

For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of the pro forma financial information included in a company description is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the company as if the event had occurred or the transaction had been undertaken at an earlier date selected for the purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis stated and that basis is consistent with the accounting policies of the Company involves performing procedures to assess whether the basis used by the board of directors in the compilation of the pro forma financial information provides a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the basis stated has been consistently applied in the pro forma adjustments; and
- the resulting pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion,

- the pro forma financial information has been properly compiled on the basis stated on in the section "Unaudited Pro Forma Financial Information" of the company description dated 2 August 2024 and
- the basis stated is consistent with the accounting policies applied by Lifeline SPAC I Plc in their next financial statements.

Restriction to the distribution of the report

This report has been issued solely for the purposes of including in the company description. Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Helsinki 2 August 2024

KPMG OY AB

Jussi Paski
Authorised Public Accountant, KHT

APPENDIX C - CANATU'S AUDITED FINANCIAL STATEMENTS AND AUDITOR'S REPORTS FOR THE YEARS ENDED 31 DECEMBER 2023, 31 DECEMBER 2022 AND 31 DECEMBER 2021

CANATU

Annual report

2023

CANATU

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Annual report 2023

Industry and significant events during the financial year

Canatu is a carbon nanomaterial developer creating the most advanced carbon nanotubes for industry-transforming products. The Canatu carbon nanotube (CNT) technology has been created with a unique process that ensures the required versatility and reliability for highly engineered solutions. Canatu partners with forerunner companies, together transforming products for better tomorrows with nano carbon. The company's focus is in the automotive and semiconductor industries with the portfolio's core spanning from ADAS heaters to EUV membranes. The experts at Canatu think big and create impacts on the tiniest scale – nano solutions for massive impact.

The semiconductor business emerged as an integral component of Canatu's revenue stream, representing 82% of sales revenue with an impressive 99% year-over-year growth. The continued mass production of consumable debris filters for EUV lithography ensured consistent revenues. Momentum was further fueled by a significant CNT manufacturing equipment deal, underscoring Canatu's increasing focus on supplying equipment and licensing its technology to enable customers to produce CNT membranes themselves.

"Canatu has experienced tremendous revenue growth, driven by a breakthrough in EUV membrane technology. This innovation has positioned Canatu as an attractive supplier of membranes and equipment alike to the semiconductor industry, further highlighting the growing importance of this sector of our business," said Juha Kokkonen, chief executive officer of Canatu.

Canatu continued to collaborate with major OEMs to develop film heaters for ADAS and expects to ramp up mass production of its first ADAS camera de-icing system this year. Canatu is also working on multiple LiDAR de-icing development projects with OEMs aiming for SOP in 2024 and beyond. To respond to rapidly increasing demand from customers, Canatu is now investing in Canatu CNT film manufacturing to increase capacity.

Our vision

"Our new vision is to create the most advanced carbon nanotubes for industry-transforming products. We are already doing this in two industries and expanding into new domains. Canatu has recently made major breakthroughs in the semiconductor and automotive industries, and our strategy is to pursue new business and product opportunities in continuation of Moore's law"

- Juha Kokkonen, CEO of Canatu

Structure and financial arrangements

The company repaid Nordea Bank's loan by EUR 555,555.56 in 2023.

Business Finland decided not to collect EUR 1,700,000.00 from Canatu's development loan.

The company has Business Finland development loans totaling EUR 2,871,890.00 on 31 December 2023.

The company has a total of EUR 5,378,447.98 in convertible bonds from Varma pension company on December 31, 2023, of which the interest portion has been capitalized.

The main loan terms of the convertible bond loan

The company has a total of 5 378 447,98 euros in convertible bond loan from Varma Pension Insurance on 31 December 2023.

The main terms of the capital loan are as follows:

The main terms of the convertible bond are as follows:

Loan interest 6%, loan repayment on 31 December 2024 or the loan can be converted into A shares of Canatu Oy at a price of 16.15 euros per share or the loan can be converted before the deadline if certain financing/share arrangements are implemented.

Significant events after the financial year

There have been no other significant changes in the company's financial position since the financial year.

Estimate of future developments

The company's management estimates that the turnover will increase significantly compared to the previous year. The increase in turnover is estimated to occur with the increase in orders from the semiconductor industry.

Report on the scope of research and development activities

The company has continued to invest in research and development activities. The company was involved in several projects financed by Business Finland in 2023.

The total funding received by the company has been EUR 1 154 573,73 for 2023.

Assessment of the most significant operational risks and uncertainties

Global economic cycles are the most significant risks and uncertainty factors in Canatu Oy's business. However, the company has significantly invested its operations in both automotive and semiconductor products and thus reduced the effect of business cycles. The war between Ukraine and Russia has not directly affected the company's business.

Estimate and key figures of financial position and results of operations.

The company's business was unprofitable, but the company's solvency and liquidity were good.

The following key figures describe the company's financial position and results of operations:

	2023	2022	2021
Turnover	13 590 510,79	8 382 385,40	5 455 023,67
Net profit	-1 317 619,50	-2 974 169,13	-3 930 017,94
Net profit %	neg.	neg.	neg.
Return on equity -%	NA	NA	NA
Equity ratio -%	29%	30%	11%

Personnel

The company's average number of employees was 93 during 2023.

Key figures describing the company's personnel:

	2023	2022	2021
Average number of employees	93	65	52

Personnel expenses	2023	2022	2021
Wages and salaries	6 253 803,53	4 336 047,79	3 513 328,75
Pension expenses	1 149 638,66	792 732,84	619 612,89
Other personal expenses	247 584,81	156 601,32	131 155,42
Total personnel costs	7 651 027,00	5 285 381,95	4 264 097,66

Environmental

To strengthen its position as a leader in advanced carbon nanotubes, Canatu acquired core competencies, especially in its R&D and product teams, improving overall organizational performance. Canatu continued to implement the goals defined in the environmental strategy in 2023. For the second year in a row, Canatu ranked among the most responsible 2% as a company and earned a gold medal in the evaluation of the global EcoVadis classification platform 2023, as a continuation of the ISO14001:2015 certificate, which was already granted to Canatu at the end of 2020.

Option and other special rights

Based on the authorization given to the board by the shareholders on September 13, 2010, the board decided on April 27, 2023 to issue 60,000 new options entitling to A shares in a directed issue. In accordance with the option terms, the new option rights replaced previously returned and expired option rights granted and registered under the same authorization to the company.

A total of 500 new A shares were subscribed based on the options granted by the company's board on April 12, 2017. The new A shares have not yet been registered in the trade register.

The share issue authorizations

Canatu's extraordinary general meeting on 20 November 2023 decided to authorize the Company's Board of Directors to decide on the issuance of new A shares and/or the option rights entitling to them, deviating from the shareholders' pre-emptive right, so that the number of the Company's A shares can, based on the authorization, increase by a maximum of 130,000 shares. The authorization is valid until further notice.

Board of Directors' proposal on the handling of the company's distributable funds

The company has no distributable funds. The loss for the financial year is 1 317 619,50 euros. The Board of Directors proposes to the Annual General Meeting that the company does not distribute a dividend for 2023.

Company shares

The company has 5 different share classes. All share classes have the same right to a dividend, but the rights of the share classes to the company's assets are defined in the Articles of Association. All shares are subject to the redemption clause in the Articles of Association, according to which shareholders have the right to redeem a share transferred to a non-shareholder.

The company's share capital is divided as follows:

	2023	2022
Shares (amount of shares)	6 874 756	6 874 256

Own shares

The company does not hold any of its own shares on December 31, 2023.

Company organization, management and auditors

After the company's annual general meeting held on May 16, 2023, Ari Ahola, Jörg Buchholz, Sami Lampinen and Tony Cannestra have served as board members. The chairman of the board has been Ari Ahola.

After the company's extraordinary general meeting held on November 20, 2023, Ari Ahola, Jörg Buchholz, Sami Lampinen, Thomas Lantzsch and Tony Cannestra have served as board members. The chairman of the board has been Ari Ahola.

Ernst & Young Oy has acted as the company's auditor, with Harri Kauttonen as the principal auditor.

Juha Kokkonen has served as the company's CEO.

Foreign and domestic subsidiaries and associates

100% owned subsidiary of Canatu Oy:

USA: Canatu Inc. Orlando

CANATU

Financial statements 2023

CANATU

Canatu OY

Business ID 1886098-1

PROFIT AND LOSS ACCOUNT	**1.1.-31.12.2023**	**1.1.-31.12.2022**
NET TURNOVER	**13 590 510,79**	**8 382 385,40**
Change in inventory of finished and work-in-progress products	155 967,66	
Other operating income	2 854 573,73	1 196 003,00
Raw materials and services		
Raw materials and consumables		
Purchases during the financial period	-3 378 415,69	-1 886 204,79
Stock change	279 328,74	
External services	-430 427,76	-471 537,89
Materials and external services total	-3 529 514,71	-2 357 742,68
Staff expenses		
Wages and salaries	-6 253 803,53	-4 336 047,79
Social security expenses		
Pension expenses	-1 149 638,66	-792 732,84
Other social security expenses	-247 584,81	-156 601,32
Staff expenses total	-7 651 027,00	-5 285 381,95
Depreciation and reduction in value		
Depreciation according to plan	-917 970,54	-658 263,05
Other operating expenses	-5 142 437,51	-3 717 401,79
OPERATING PROFIT (LOSS)	**-639 897,58**	**-2 440 401,07**
Financial income and expenses		
Other Interest and financial expenses	4 401,03	6 593,74
Interest and other financial expenses	-682 122,95	-540 361,80
Financial income and expenses total	-677 721,92	-533 768,06
PROFIT (LOSS) BEFORE APPROPRIATIONS		
AND INCOME TAXES	**-1 317 619,50**	**-2 974 169,13**
PROFIT (LOSS) FOR THE FINANCIAL YEAR	**-1 317 619,50**	**-2 974 169,13**

BALANCE SHEET	31/12/2023	31/12/2022
ASSETS		
NON CURRENT ASSETS		
Intangible assets		
Intangible rights	1 100 614,94	918 170,44
Other capitalized long-term expenses	0,00	573,10
Intangible assets total	1 100 614,94	918 743,54
Tangible assets		
Buildings	1 665 052,03	1 768 915,15
Machinery and equipment	5 578 675,07	2 657 788,06
Other tangible assets	1 890 823,19	1 194 850,24
Advance payments and construction in progress	227 440,00	153 088,94
Tangible assets total	9 361 990,29	5 774 642,39
RECEIVABLES		
Inventory		
Materials and supplies	279 328,74	
Finished products/goods	155 967,66	
Total inventory	435 296,40	
Short-term assets		
Account receivable	1 215 042,80	1 015 605,67
Other receivables	282 887,48	258 523,70
Accrued receivables	1 443 714,63	479 780,20
Total receivables	2 941 644,91	1 753 909,57
Other investments	1 344 342,43	1 344 342,43
Cash and equivalents	5 894 924,26	14 764 089,57
TOTAL ASSETS	**21 078 813,23**	**24 555 727,50**
LIABILITIES & EQUITY		
Shareholders´ equity		
Share capital	8 000,00	8 000,00
Other equity	58 052 848,60	58 049 848,60
Retained earnings (loss)	-50 812 836,03	-47 838 666,90
Profit for the financial year	-1 317 619,50	-2 974 169,13
Capital and reserves total	5 930 393,07	7 245 012,57
LIABILITIES		
Long-term liabilities		
Convertible bonds	5 378 447,98	5 000 000,00
Loans from financial institutions	701 219,44	8 518 083,00
Long-term liabilities, total	6 079 667,42	13 518 083,00
Short-term liabilities		
Loans from financial institutions	6 615 115,00	1 304 917,00
Received prepayments	48 300,00	243 000,00
Accounts payable	700 753,44	772 072,15
Other liabilities	162 989,55	104 620,52
Accrued liabilities	1 541 594,75	1 368 022,26
Short-term liabilities, total	9 068 752,74	3 792 631,93
Total liabilities	15 148 420,16	17 310 714,93
TOTAL LIABILITIES & EQUITY	**21 078 813,23**	**24 555 727,50**

Appendix

Appendix to financial statements

Consolidated financial statements

The consolidated financial statements have not been prepared pursuant to section 6:1 of the PCA, as the subsidiaries are not material to the correct and sufficient information.

Valuation principles and methods

Intangible and tangible assets are recognized in the balance sheet at acquisition cost less planned depreciation.

Ordinary machine and equipment investments account for a 25% expense depreciation.

Two-year straight-line depreciation on R & D, equipment and testing facilities has been booked until the end of 2015, and from thereafter a straight-line depreciation of five years.

10 year straight-line depreciation on R&D machinery, equipment and test facility costs from 2018 onwards.

10 year straight-line depreciation on production equipment's costs from 2018 onwards.

Sequential principles and methods

Fundamentals of planned depreciation:

	Estimated holding time	Depreciation and depreciation method
Buildings	20 years	straight-line depreciation
Production equipment's	10 years	straight-line depreciation
Patents	5 years	straight-line depreciation
Patents since 2018	10 years	straight-line depreciation
Computer software	2 - 3 years	straight-line depreciation
Research and development expenses	2 - 5 years	straight-line depreciation
Machinery and equipment		25% expense depreciation

Partial revenue recognition

Partial revenue recognition for an unfinished project is based on the degree of completion.

The percentage of completion is calculated on the basis of actual costs and estimated total costs.

Partial revenue is recognized on the basis of the percentage of completion times the sales of the project.

Impact of partial income recognition

In 2023, therewas no partially recognized income.

Appendix to the profit and loss account

Personnel costs and staff on average	**2023**	**2022**
During the financial year, the company employed an average of	93 employees	65 employees
Personnel expenses		
Wages and salaries	6 253 803,53	4 336 047,79
pension costs	1 149 638,66	792 732,84
Other personal expenses	247 584,81	156 601,32
Total staff costs	7 651 027,00	5 285 381,95
Depreciation and impairment		
Research and development expenditure	205 090,96	175 860,42
Depreciation on long-term expenditures	139 764,34	124 196,70
Depreciation on buildings	103 863,12	103 863,12
Depreciation on machinery and equipment	469 252,12	254 328,80
Reduction in value of current	0,00	14,01
Depreciation total	917 970,54	658 263,05
Auditor's fees		
Audit	13 440,00	18 730,00
The assignments referred to in section 1.1.2 of the TTL	5 810,00	0,00
Total auditor's fees	19 250,00	18 730,00
Financial income and expenses		
Financial income		
Interest income	246,12	44,78
Foreign exchange gains	4 154,91	2 769,61
Profit from portfolio invstements	0,00	3 779,35
Total financial income	4 401,03	6 593,74
Exchange rate differences on sales were recognized in sales adjustment items	-5 267,03	44 964,24
Financial expenses		
Interest expenses on financial institution loans	643 962,33	402 918,69
Other interest expenses	6 280,57	412,73
Other borrowing costs	14 001,86	111 233,73
Foreign and exchange losses	17 878,19	25 796,65
Total financial expenses	682 122,95	540 361,80
Exchange losses on purchases are booked on purchase adjustments	9 414,09	14 609,90

Appendix to the balance sheet

Fixed assets	**2023**	**2022**
Intangible assets		
Patents 1.1.	1 541 766,79	1 266 966,85
Additions	321 635,74	274 799,94
Depreciation in the beginning of the financial year	-623 596,35	-500 774,61
Depreciation for the financial year	-139 191,24	-122 821,74
Patents 31.12.	1 100 614,94	918 170,44
Premises renovation costs 1.1.	6 072,94	6 072,94
Additions		0,00
Depreciation in the beginning of the financial year	-5 499,84	-4 124,88
Depreciation for the financial year	-573,10	-1 374,96
Premises renovation costs 31.12.	0,00	573,10
Intangible assets total 31.12.	**1 100 614,94**	**918 743,54**
Tangibleassets		
Buildings 1.1.	2 076 502,78	2 076 502,78
Additions	0,00	0,00
Depreciation in the beginning of the financial year	-307 587,63	-203 724,51
Depreciation for the financial year	-103 863,12	-103 863,12
Buildings 31.12.	1 665 052,03	1 768 915,15
Machinery and equipment 1.1.	94 577,60	94 577,60
Depreciation in the beginning of the financial year	-64 652,04	-54 677,16
Depreciation for the financial year	-7 481,04	-9 974,88
Machinery and equipment 31.12.	22 444,52	29 925,56
Production machinery 1.1.	3 321 973,71	2 241 469,16
Additions	3 390 484,21	1 080 504,55
Depreciation in the beginning of the financial year	-694 111,21	-449 757,29
Depreciation for the financial year	-462 116,16	-244 353,92
Production machinery 31.12.	5 556 230,55	2 627 862,50
Other tangible assets 1.1.	2 290 100,76	1 626 001,13
Additions	900 718,83	664 099,63
Depreciation in the beginning of the financial year	-1 095 250,52	-919 390,10
Depreciation for the financial year	-204 745,88	-175 860,42
Other tangible assets 31.12.	1 890 823,19	1 194 850,24
Advance payments and unfinished purchases 1.1.	153 088,94	0,00
Additions	731 040,00	153 088,94
Deductions	-656 688,94	
Advance payments and unfinished purchases 31.12.	227 440,00	153 088,94
Total tangible assets 31.12.	**9 361 990,29**	**5 774 642,39**
Holdings in other companies 100%	Own capital	Profit of the financial period
Canatu Inc, Orlando, USA	20 337,35	41 324,64

CANATU

Appendix to the balance sheet liabilities

Owncapital	**2023**	**2022**
Restricted equity		
Share Capital 1.1.	8 000,00	8 000,00
Share Capital 31.12.	8 000,00	8 000,00
Free equity		
Fund for invested unrestricted equity 1.1.	58 049 848,60	49 496 273,12
Increase in investedunrestricted equity	3 000,00	8 553 575,48
Fund for invested unrestricted equity 31.12.	58 052 848,60	58 049 848,60
Profit (loss) from previous financial years 1.1.	-50 812 836,03	-47 838 666,90
Net profit (loss)	-1317 619,50	-2 974 169,13
Profit (loss) from previous financial years 31.12.	-52 130 455,53	-50 812 836,03
Equity total 31.12.	5 930 393,07	7 245 012,57
Distributable own capital		
Free equity	5 922 393,07	7 237 012,57
Other tangible assets	-1890 823,19	-1194 850,24
Distributable own capital	4 031 569,88	6 042 162,33
In the invested unrestricted equity fund is presented the share subscription fee corresponding to the number of registered items.		
Accrued expenses		
Pension expenses	1513 266,25	1257 299,07
Interest expenses	28 328,50	110 723,19
	1541594,75	1368 022,26
Responsibilities and guarantees		
Loans, in witness whereof has given business mortage		
Loans from financial institutions	4 444 444,44	5 000 000,00
Business mortgage	6 900 000,00	6 900 000,00
Credit cards, amount of responsibility	28 630,33	17 404,42
Amount available	28 630,33	17 404,42
secured		
deposit	10 475,99	10 475,99
Rental liabilities		
Leaseholdability of premises, Vantaa Tiilitie 6 months	263 105,70	263 105,70
Leaseholdability of premises	193 025,11	193 025,11
Leasing		
Payable next financial year	64 780,20	37 712,02
Payable later than one year	69 177,15	33 433,56
Hosiden Europe GmbH, 24.10.2017	55 000,00	55 000,00
Liabilities that mature later than five years	0,00	0,00

Appendix to the operations

An estimate of likely future development

The company's operations involve uncertainty due to the development of sales. The company's management plans measures to ensure continuity of operation. These actions may include a new equity financing round.

Convertible bond loans

The company has a total of EUR 5 378 447,98 convertible bond loans from Varma Pension Insurance on 31 December 2023.

The main terms of the convertible bond are as follows:

Loan interest 6%, loan repayment on 31 December 2024 or the loan can be converted into A shares of Canatu Oy at a price of 16.15 euros per share or the loan can be converted before the deadline if certain financing/share arrangements are implemented.

Option and other special rights

Based on the authorization given to the board by the shareholders on September 13, 2010, the board decided on April 27, 2023 to issue 60,000 new options entitling to A shares in a directed issue. In accordance with the option terms, the new option rights replaced previously returned and expired option rights granted and registered under the same authorization to the company.

A total of 500 new A shares were subscribed based on the options granted by the company's board on April 12, 2017. The new A shares have not yet been registered in the trade register.

The share issue authorizations

Canatu's extraordinary general meeting on 20 November 2023 decided to authorize the Company's Board of Directors to decide on the issuance of new A shares and/or the option rights entitling to them, deviating from the shareholders' pre-emptive right, so that the number of the Company's A shares can, based on the authorization, increase by a maximum of 130,000 shares. The authorization is valid until further notice.

Directed share issues

A total of 500 new A shares were subscribed based on the options granted by the company's board on April 12, 2017. The new A shares have not yet been registered in the trade register.

Appendix to the operations

The number of shares in the company by type of shares and the main provisions of the Articles of Association concerning each class of shares

The company's share capital is divided by class of shares as follows:		
Shares (1 vote per share)		
Registered share capital:	**31.12.2023**	**31.12.2022**
A-share, number of	1 601 505	1 601 005
B-share, number of	2 115 345	2 115 345
C-share, number of	564 722	564 722
D-share, number of	1 045 296	1 045 296
E-share, number of	1 547 888	1 547 888
Total subscribed, paid, number of	6 874 756	6 874 256
The Articles of Association contain a redemption clause for shares.		

The Board of Directors proposal on measures for the financial year

The Board of Directors proposes that a loss of EUR 1 317 619,50 for the financial year be transferred to the Profit / Loss Account for previous years and no dividend is paid.

Salaries and remuneration of the CEO and members of the Board of Directors 2023

The CEO has received remuneration of EUR 254 642,30 in 2023.

Canatu Oy's actual Board members has received remuneration of EUR 21 000 in 2023.

Signatures

Vantaa April 2024

DocuSigned by:
3CEDBD23C3F9419...
Ari Ahola
member, appointed as Chairman

DocuSigned by:
Tony Cannestra
E3B96F060CAE4CA...
Tony Cannestra
member

DocuSigned by:
9ADCC5D6AC72445...
Jörg Buchholz
member

DocuSigned by:
Sami Lampinen
D63F35059498402...
Sami Lampinen
member

DocuSigned by:
Thomas Lantzsch
9861BEB91FFE477...
Thomas Lantzsch
member

DocuSigned by:
E86DDE2BEB9D4A3...
Juha Kokkonen
CEO

Auditor's note

Helsinki (month) 2024

Ernst & Young Oy
Tilintarkastusyhteisö

Harri Kauttonen,
KHT

Business ID 1886098-1

CANATU

Tiilenlyöjänkuja 9 A
FI-01720 Vantaa
Business ID 1886098-1

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FI-00130 Helsinki
FINLAND

Tel: +358 207 280 190
www.ey.com/fi
Business ID: 2204039-6,
domicile Helsinki

AUDITOR'S REPORT (Translation of the Finnish original)

To the Annual General Meeting of Canatu Oy

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Canatu Oy (business identity code 1886098-1) for the year ended 31 December, 2023. The financial statements comprise the balance sheet, income statement and notes.

In our opinion, the financial statements give a true and fair view of the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the company's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other reporting requirements

Other information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

Helsinki 7.5.2024

Ernst & Young Oy
Authorized Public Accountant Firm

Harri Kauttonen
Authorized Public Accountant

CANATU

Annual report

2022

CANATU

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Annual report 2022

Industry and significant events during the financial year

Canatu is a carbon nanomaterial developer creating the most advanced carbon nanotubes for industry-transforming products. The Canatu carbon nanotube (CNT) technology has been created with a unique process that ensures the required versatility and reliability for highly engineered solutions. Canatu partners with forerunner companies, together transforming products for better tomorrows with nano carbon. The company's focus is in the automotive and semiconductor industries with the portfolio's core spanning from ADAS heaters to 3D touch sensors and to EUV membranes. The experts at Canatu think big and create impacts on the tiniest scale – nano solutions for massive impact.

Canatu set out a new strategy with a focus on the semiconductor and automotive industries in 2021. The refocused strategy has enabled Canatu to experience strong growth for two years in a row driven by global megatrends of Advanced Driver Assistance Systems (ADAS) and next-generation Extreme Ultraviolet Lithography (EUV) technology. The mass production of Canatu CNT -based EUV membranes has provided Canatu with a solid technology foundation and steady revenue growth. These membranes are consumables that are used in fabs to improve the yields of the most advanced microchips. Canatu foresees high potential in growing the in-house manufactured membrane business as the EUV lithography takes up in the coming years.

Revenue from the automotive industry continued to grow as well, driven by demand for ADAS film heaters and touch sensor products. A key milestone of the year was the Start of Production for two new car models. Additionally, Canatu started using its fully automated manufacturing line in mass production in Finland. Canatu continued to collaborate with major OEMs to develop film heaters for ADAS and expects to ramp up mass production of its first ADAS camera deicing system this year. Canatu is also working on multiple LiDAR deicing development projects with OEMs aiming for SOP in 2024 and beyond. To respond to rapidly increasing demand from customers, Canatu is now investing in Canatu CNT film manufacturing to increase capacity.

Our vision

"Our new vision is to create the most advanced carbon nanotubes for industry-transforming products. We are already doing this in two industries and expanding into new domains. Canatu has recently made major breakthroughs in the semiconductor and automotive industries, and our strategy is to pursue new business and product opportunities in continuation of Moore's law" - *Juha Kokkonen, CEO of Canatu*

Structure and financial arrangements

The company has Business Finland loans in total EUR 4,820,000.00 on 31 December 2022.

The company took out Nordea bank loans in total EUR 5,000,000.00 in 2022 and there is EUR 5,000,000.00 left in the loan on 31 December 2022.

The company borrowed a total of EUR 5,000,000.00 in convertible bond from Varma pension association in 2022, and EUR 5,000,000.00 of the loan remains on December 31, 2022.

The company repaid a loan of EUR 5,500,000.00 from the European Investment Bank in 2022.

The main loan terms of the convertible bond loan

The company has a total of 5,000,000.00 euros in convertible bond loan from Varma Pension Insurance on 31 December 2022.

The main terms of the capital loan are as follows:

The main terms of the convertible bond are as follows:
Loan interest 6%, loan repayment on 31 December 2024 or the loan can be converted into A shares of Canatu Oy at a price of 16.15 euros per share or the loan can be converted before the deadline if certain financing/share arrangements are implemented.

Significant events after the financial year

On March 24, 2023, Business Finland has decided not to collect part of the development loan. With this decision, a total of 1,700,000 euros from the original development loan in 2010 (2,820,000 euros) will not be collected. There have been no other significant changes in the company's financial position since the financial year.

Estimate of future developments

The company's management estimates that the turnover will increase significantly compared to the previous year. The increase in turnover is estimated to occur with the increase in orders from the semiconductor industry.

Report on the scope of research and development activities

The company has continued to invest in research and development activities. The company was involved in several projects financed by Business Finland in 2022.

The total funding received by the company has been EUR 896,003 for 2022.

Assessment of the most significant operational risks and uncertainties

Global economic cycles are the most significant risks and uncertainties in Canatu Oy's business, such as COVID-19. However, Canatu Oy has also made significant investments outside the automotive industry, thus reducing the impact of the business cycle. Current Ukraine-Russia war does not expose direct risk for Canatu Oy operations.

Estimate and key figures of financial position and results of operations

The company's business was unprofitable, but the company's solvency and liquidity were good.

The following key figures describe the company's financial position and results of operations:

	2022	2021	2020
Turnover	8 382 385,40	5 455 023,67	1 511 769,83
Net profit	-2 974 169,13	-3 930 017,94	-6 777 444,44
Net profit %	neg.	neg.	neg.
Return on equity -%	NA	NA	NA
Equity ratio -%	30%	11%	31%

Personnel

The company's average number of employees was 65 during 2022.

Key figures describing the company's personnel:

	2022	2021	2020
Average number of employees	65	52	56

Personnel expenses	2022	2021	2020
Wages and salaries	4 336 047,79	3 513 328,75	3 451 396,95
Pension expenses	792 732,84	619 612,89	514 299,50
Other personal expenses	156 601,32	131 155,42	106 658,25
Total personnel costs	5 285 381,95	4 264 097,66	4 072 354,70

Environmental

To strengthen its position as a leader in advanced carbon nanotubes, Canatu acquired core competencies, especially in its R&D and product teams, improving overall organizational performance. Canatu also laid the foundation for the environmental strategy and goals, and ranked as a company among the most responsible 2% in the evaluation of the global EcoVadis classification platform 2022, as a continuation of the ISO14001:2015 certificate, which was already granted to Canatu at the end of 2020.

Option and other special rights

No new authorizations for the financial year 2022.

The share issue authorizations

No warrants and other special rights subscriptions in the financial year 2022.

Board of Directors' proposal on the handling of the company's distributable funds

The company has no distributable funds. The loss for the financial year is 2 974 169,13 euros. The Board of Directors proposes to the Annual General Meeting that the company does not distribute a dividend for 2022.

Company shares

The company has 5 different share classes. All share classes have the same right to a dividend, but the rights of the share classes to the company's assets are defined in the Articles of Association. All shares are subject to the redemption clause in the Articles of Association, according to which shareholders have the right to redeem a share transferred to a non-shareholder.

The company's share capital is divided as follows:

	2022	2021
Shares (amount of shares)	6 874 256	6 289 733

Own shares

The company does not hold any of its own shares on December 31, 2022.

Company organization, management and auditors

Since the company's Annual General Meeting held on May 17, 2022, Ari Ahola, Jörg Buchholz, Denis Cherkasov and Tony Cannestra have served as members of the Board. Ari Ahola has served as Chairman of the Board.

Ernst & Young Oy has acted as the company's auditor, with Harri Kauttonen as the principal auditor.

Juha Kokkonen has served as the company's CEO.

Foreign and domestic subsidiaries and associates

100% owned subsidiary of Canatu Oy:

USA: Canatu Inc. Orlando

CANATU

Financial statements

2022

CANATU

Canatu OY

Business ID 1886098-1

PROFIT AND LOSS ACCOUNT	**1.1.-31.12.2022**	**1.1.-31.12.2021**
NET TURNOVER	**8 382 385,40**	**5 455 023,67**
Other operating income	1 196 003,00	546 936,20
Raw materials and services		
Raw materials and consumables		
Purchases during the financial period	-1 886 204,79	-1 479 810,12
External services	-471 537,89	-265 031,36
Materials and external services total	-2 357 742,68	-1 744 841,48
Staff expenses		
Wages and salaries	-4 336 047,79	-3 513 328,75
Social security expenses		
Pension expenses	-792 732,84	-619 612,89
Other social security expenses	-156 601,32	-131 155,42
Staff expenses total	-5 285 381,95	-4 264 097,06
Depreciation and reduction in value		
Depreciation according to plan	-658 263,05	-749 089,01
Other operating expenses	-3 717 401,79	-2 904 229,27
OPERATING PROFIT (LOSS)	**-2 440 401,07**	**-3 660 296,95**
Financial income and expenses		
Other Interest and financial expenses	6 593,74	6 909,07
Interest and other financial expenses	-540 361,80	-276 630,06
Financial income and expenses total	-533 768,06	-269 720,99
PROFIT (LOSS) BEFORE APPROPRIATIONS		
AND INCOME TAXES	**-2 974 169,13**	**-3 930 017,94**
Taxes at source	0,00	0,00
PROFIT (LOSS) FOR THE FINANCIAL YEAR	**-2 974 169,13**	**-3 930 017,94**

CANATU

BALANCE SHEET	**31/12/2022**	**31/12/2021**
ASSETS		
NON CURRENT ASSETS		
Intangible assets		
Intangible rights	918 170,44	766 192,24
Other capitalized long-term expenses	573,10	1 948,06
Intangible assets total	918 743,54	768 140,30
Tangible assets		
Buildings	1 768 915,15	1 872 778,27
Machinery and equipment	2 657 788,06	1 831 612,31
Other tangible assets	1 194 850,24	706 611,03
Advance payments and construction in progress	153 088,94	0,00
Tangible assets total	5 774 642,39	4 411 001,61
RECEIVABLES		
Short-term assets		
Account receivable	1 015 605,67	444 726,11
Other receivables	258 523,70	258 519,09
Accrued receivables	479 780,20	258 955,41
Total receivables	1 753 909,57	962 200,61
Other investments	1 344 342,43	6 340 577,09
Cash and equivalents	14 764 089,57	2 088 294,49
TOTAL ASSETS	**24 555 727,50**	**14 570 214,10**
LIABILITIES & EQUITY		
Shareholders´ equity		
Share capital	8 000,00	8 000,00
Other equity	58 049 848,60	49 496 273,12
Retained earnings (loss)	-47 838 666,90	-43 908 648,96
Profit for the financial year	-2 974 169,13	-3 930 017,94
Capital and reserves total	7 245 012,57	1 665 606,22
LIABILITIES		
Long-term liabilities		
Convertible bonds	5 000 000,00	
Loans from financial institutions	8 518 083,00	6 351 333,00
Long-term liabilities, total	13 518 083,00	6 351 333,00
Short-term liabilities		
Loans from financial institutions	1 304 917,00	3 971 667,00
Received prepayments	243 000,00	770 682,00
Accounts payable	772 072,15	705 367,81
Other liabilities	104 620,52	87 876,22
Accrued liabilities	1 368 022,26	1 017 681,85
Short-term liabilities, total	3 792 631,93	6 553 274,88
Total liabilities	17 310 714,93	12 904 607,88
TOTAL LIABILITIES & EQUITY	**24 555 727,50**	**14 570 214,10**

Appendix

Appendix to financial statements

Consolidated financial statements

The consolidated financial statements have not been prepared pursuant to section 6:1 of the PCA, as the subsidiaries are not material to the correct and sufficient information.

Valuation principles and methods

Intangible and tangible assets are recognized in the balance sheet at acquisition cost less planned depreciation.

Ordinary machine and equipment investments account for a 25% expense depreciation.

Two-year straight-line depreciation on R & D, equipment and testing facilities has been booked until the end of 2015, and from thereafter a straight-line depreciation of five years.

10 year straight-line depreciation on R&D machinery, equipment and test facility costs from 2018 onwards.

10 year straight-line depreciation on production equipment's costs from 2018 onwards.

Sequential principles and methods

Fundamentals of planned depreciation:

	Estimated holding time	Depreciation and depreciation method
Buildings	20 years	straight-line depreciation
Production equipment's	10 years	straight-line depreciation
Patents	5 years	straight-line depreciation
Patents since 2018	10 years	straight-line depreciation
Computer software	2 - 3 years	straight-line depreciation
Research and development expenses	2 - 5 years	straight-line depreciation
Machinery and equipment		25% expense depreciation

Partial revenue recognition

Partial revenue recognition for an unfinished project is based on the degree of completion.

The percentage of completion is calculated on the basis of actual costs and estimated total costs.

Partial revenue is recognized on the basis of the percentage of completion times the sales of the project.

Impact of partial income recognition

The remaining part of the partially financed project in 2021, 770,682 euros, has been entered as income in 2022.

Appendix to the profit and loss account

Personnel costs and staff on average	**2022**	**2021**
During the financial year, the company employed an average of	65 employees	52 employees
Personnel expenses		
Wages and salaries	4 336 047,79	3 513 328,75
pension costs	792 732,84	619 612,89
Other personal expenses	156 601,32	131 155,42
Total staff costs	5 285 381,95	4 264 097,06
Depreciation and impairment		
Research and development expenditure	175 860,42	293 255,79
Depreciation on long-term expenditures	124 196,70	139 426,85
Depreciation on buildings	103 863,12	103 111,37
Depreciation on machinery and equipment	254 328,80	205 657,99
Reduction in value of current	14,01	7 637,01
Depreciation total	658 263,05	749 089,01
Auditor's fees		
Audit	18 730,00	11 977,00
The assignments referred to in section 1.1.2 of the TTL	0,00	0,00
Total auditor's fees	18 730,00	11 977,00
Financial income and expenses		
Financial income		
Interest income	44,78	177,82
Foreign exchange gains	2 769,61	6 731,25
Profit from portfolio invstements	3 779,35	0,00
Total financial income	6 593,74	6 909,07
Exchange rate differences on sales were recognized in sales adjustment items	44 964,24	7 672,61
Financial expenses		
Interest expenses on financial institution loans	402 918,69	274 501,78
Other interest expenses	412,73	180,58
Other borrowing costs	111 233,73	1 506,86
Foreign and exchange losses	25 796,65	440,84
Total financial expenses	540 361,80	276 630,06
Exchange losses on purchases are booked on purchase adjustments	14 609,90	15 742,59

Appendix to the balance sheet

Fixed assets	**2022**	**2021**
Intangible assets		
Patents 1.1.	1 266 966,85	1 064 342,28
Additions	274 799,94	202 624,57
Depreciation in the beginning of the financial year	-500 774,61	-362 722,72
Depreciation for the financial year	-122 821,74	-138 051,89
Patents 31.12.	918 170,44	766 192,24
Premises renovation costs 1.1.	6 072,94	6 072,94
Additions	0,00	0,00
Depreciation in the beginning of the financial year	-4 124,88	-2 749,92
Depreciation for the financial year	-1 374,96	-1 374,96
Premises renovation costs 31.12.	573,10	1 948,06
Intangible assets total 31.12.	**918 743,54**	**768 140,30**
Tangible assets		
Buildings 1.1.	2 076 502,78	2 046 446,18
Additions	0,00	30 056,60
Depreciation in the beginning of the financial year	-203 724,51	-100 613,14
Depreciation for the financial year	-103 863,12	-103 111,37
Buildings 31.12.	1 768 915,15	1 872 778,27
Machinery and equipment 1.1.	94 577,60	94 577,60
Depreciation in the beginning of the financial year	-54 677,16	-41 377,32
Depreciation for the financial year	-9 974,88	-13 299,84
Machinery and equipment 31.12.	29 925,56	39 900,44
Production machinery 1.1.	2 241 469,16	1 666 736,63
Additions	1 080 504,55	574 732,53
Depreciation in the beginning of the financial year	-449 757,29	-257 399,14
Depreciation for the financial year	-244 353,92	-192 358,15
Production machinery 31.12.	2 627 862,50	1 791 711,87
Other tangible assets 1.1.	1 626 001,13	1 605 685,47
Additions	664 099,63	20 315,66
Depreciation in the beginning of the financial year	-919 390,10	-626 134,31
Depreciation for the financial year	-175 860,42	-293 255,79
Other tangible assets 31.12.	1 194 850,24	706 611,03
	0,00	0,00
	153 088,94	0,00
	153 088,94	0,00
Total tangible assets 31.12.	**5 774 642,39**	**4 411 001,61**
Holdings in other companies 100%	Own capital	Profit of the financial period
Canatu Inc, Orlando, USA	21 609,22	-60 239,87

Appendix to the balance sheet liabilities

Own capital	**2022**	**2021**
Restricted equity		
Share Capital 1.1.	8 000,00	8 000,00
Share Capital 31.12.	8 000,00	8 000,00
Free equity		
Fund for invested unrestricted equity 1.1.	49 496 273,12	49 496 273,12
Increase in invested unrestricted equity	8 553 575,48	
Fund for invested unrestricted equity 31.12.	58 049 848,60	49 496 273,12
Profit (loss) from previous financial years 1.1.	-47 838 666,90	-43 908 648,96
Net profit (loss)	-2 974 169,13	-3 930 017,94
Profit (loss) from previous financial years 31.12.	-50 812 836,03	-47 838 666,90
Equity total 31.12.	7 245 012,57	1 665 606,22
Distributable own capital		
Free equity	7 237 012,57	1 657 606,22
Other tangible assets	-1 194 850,24	-706 611,03
Distributable own capital	6 042 162,33	950 995,19
In the invested unrestricted equity fund is presented the share subscription fee corresponding to the number of registered items.		
Accrued expenses		
Pension expenses	1 257 299,07	462853,00
Interest expenses	110 723,19	32 393,09
	1 368 022,26	495246,09
Responsibilities and guarantees		
Credit cards, amount of responsibility	17 404,42	5 710,84
Amount available	17 404,42	5 710,84
secured		
deposit	10 475,99	10 475,99
Rental liabilities		
Leaseholdability of premises, Vantaa Tiilitie 6 months	263 105,70	214 115,82
Leaseholdability of premises	193 025,11	193 025,11
Leasing		
Payable next financial year	37 712,02	62 957,25
Payable later than one year	33 433,56	28 816,09
Hosiden Europe GmbH, 24.10.2017	55 000,00	55 000,00
Liabilities that mature later than five years	0,00	0,00

Appendix to the operations

An estimate of likely future development

The company's operations involve uncertainty due to the development of sales. The company's management plans measures to ensure continuity of operation. These actions may include a new equity financing round.

Convertible bond loans

The company has a total of EUR 5,000,000.00 convertible bond loans from Varma Pension Insurance on 31 December 2022.

The main terms of the convertible bond are as follows:

Loan interest 6%, loan repayment on 31 December 2024 or the loan can be converted into A shares of Canatu Oy at a price of 16.15 euros per share or the loan can be converted before the deadline if certain financing/share arrangements are implemented.

Option and other special rights

The board decided on the change in the terms of the option program decided on August 14, 2012 and amended on September 2, 2016. Registration of the change in the trade register is pending.

The board decided on the change in the terms of the option program concluded on April 12, 2017. The change has been registered in the trade register on 11 April 2023.

A total of 89,200 new A shares were subscribed based on the options granted by the company's board on April 12, 2017, June 20, 2018 and July 11, 2019. The new A shares have been registered in the trade register on April 11, 2023.

The share issue authorizations

No warrants and other special rights subscriptions in the financial year 2022

Directed share issues

Based on the authorization given to the board by the shareholders on 01.08.2019, the board decided on 22.07.2022 to issue 309,576 new E shares in a directed share issue. The new E-shares are registered in the trade register on December 1, 2022.

Based on the authorization given to the board by the shareholders on 01.08.2019, the board decided on 19.08.2022 to issue 185,747 new E shares in a directed share issue. The new E-shares are registered in the trade register on December 1, 2022.
No directed share issues.

Appendix to the operations

The number of shares in the company by type of shares and the main provisions of the Articles of Association concerning each class of shares

The company's share capital is divided by class of shares as follows:		
Shares (1 vote per share)		
Registered share capital:	31.12.2022	31.12.2021
A-share, number of	1 601 005	1 511 805
B-share, number of	2 115 345	2 115 345
C-share, number of	564 722	564 722
D-share, number of	1 045 296	1 045 296
E-share, number of	1 547 888	1 052 565
Total subscribed, paid, number of	6 874 256	6 289 733
The Articles of Association contain a redemption clause for shares.		

The Board of Directors proposal on measures for the financial year

The Board of Directors proposes that a loss of EUR -2 974 169,13 for the financial year be transferred to the Profit / Loss Account for previous years and no dividend is paid.

Salaries and remuneration of the CEO and members of the Board of Directors 2022

The CEO has received remuneration of EUR 243 067,13 in 2022.

Canatu Oy's actual Board members has received remuneration of EUR 1 8 000 in 2022.

CANATU

Signatures

Vantaa May 2023

DocuSigned by:
3CEDBD23C3F9419...
Ari Ahola
member, appointed as Chairman

DocuSigned by:
E3B96F060CAE4CA...
Tony Cannestra
member

DocuSigned by:
9ADCC5D6AC72445...
Jörg Buchholz
member

DocuSigned by:
832316DE63DF467...
Denis Cherkasov
member

DocuSigned by:
E86DDE2BEB9D4A3...
Juha Kokkonen
CEO

Auditor's note

Helsinki (month) 2023

Ernst & Young Oy
Tilintarkastusyhteisö

Harri Kauttonen,
KHT

Business ID 1886098-1

Tiilenlyöjänkuja 9 A
FI-01720 Vantaa
Business ID 1886098-1

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Alvar Aallon katu 5 C
FI-00100 Helsinki
FINLAND

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www.ey.com/fi
Business ID: 2204039-6,
domicile Helsinki

AUDITOR'S REPORT (Translation of the Finnish original)

To the Annual General Meeting of Canatu Oy

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Canatu Oy (business identity code 1886098-1) for the year ended 31 December, 2022. The financial statements comprise the balance sheet, income statement and notes.

In our opinion, the financial statements give a true and fair view of the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the company's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Building a better
working world

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other reporting requirements

Other information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

Helsinki 15.5.2023

Ernst & Young Oy
Authorized Public Accountant Firm

Harri Kauttonen
Authorized Public Accountant

CANATU

Annual report

2021

CANATU

Table of contents

Annual report 2021

Industry and significant events during the financial year

Canatu is a carbon nanomaterial developer. We create the most advanced carbon nanotubes for industry-transforming products. Canatu CNT is primed for highly-engineered solutions, where optoelectronic performance and reliability are vital. Our industrialized product and manufacturing platforms – currently free-standing CNT membranes and transparent conductive films – allow us to scale our business in Canatu CNT. Free-standing CNT membranes are used as highly sophisticated filters in the semiconductor industry. Under the automotive industry, Canatu advances autonomous driving in any weather with CNT film heaters for ADAS cameras and LiDARs. Additionally, Canatu's 3D touch sensors enable intuitive in-vehicle user experience and design freedom.

In 2021, Canatu started implementing its new long-term strategy that focuses on continuing mass production in the semiconductor and automotive industries, while further developing applications with forerunner companies to create new opportunities.

In 2021, Canatu made a major breakthrough in the semiconductor industry with the start of mass-production, contributing to strong revenue growth while offsetting the stagnating car industry due to COVID-19. Additionally, Canatu signed a significant Joint Development Agreement with its long-term strategic partner DENSO to develop new high-performance reactors aimed at tripling Canatu's CNT film manufacturing productivity. To strengthen its position as a leader in advanced CNT, Canatu acquired core competencies in the Engineering and Product teams that enhanced the organizational performance overall. Canatu laid the foundation for its sustainability strategy and targets and was ranked by the global rating platform EcoVadis as one of the top 25% companies in the world for sustainability, following the ISO14001:2015 Certification received already at the end of 2020. Finally, to further reflect this new direction, Canatu renewed its brand foundation and website, which were developed in alignment with the refocused company strategy.

Our vision

"Our new vision is to create the most advanced carbon nanotubes for industry-transforming products. We are already doing this in two industries, and expanding into new domains. Canatu has recently made major breakthroughs in the semiconductor and automotive industries, and our strategy is to pursue new business and product opportunities in continuation of Moore's law" - *Juha Kokkonen, CEO of Canatu*

Structure and financial arrangements

Canatu Oy had no changes in its structure in 2021.

The company has Business Finland loans totalling EUR 4,820,000.00 on December 31, 2021.

The company has European Investment Bank loans totalling EUR 5,500,000.00 on December 31, 2021.

The company has made repayment of loan from the European Investment Bank of total EUR 500,000.00 by 31.12.2021.

The main loan terms of the capital loan

The company has no capital loans in 2021.

Significant events after the financial year

There have been no material changes in the company's financial position since the financial year.

Estimate of future developments

The company's management estimates that net sales will increase significantly compared to the previous year. The increase in net sales is estimated to be due to the increase in orders in the semiconductor industry.

Report on the scope of research and development activities

The company has continued to invest in research and development. The company was involved in several projects financed by Business Finland in 2021.

The total financing received by the company has been EUR 546,936.20 for 2021.

Assessment of the most significant operational risks and uncertainties

Global economic cycles are the most significant risks and uncertainties in Canatu Oy's business, such as COVID-19. However, Canatu Oy has also made significant investments outside the automotive industry, thus reducing the impact of the business cycle. Current Ukraine-Russia war does not expose direct risk for Canatu Oy operations.

Estimate and key figures of financial position and results of operations

The company's business was unprofitable, but the company's solvency and liquidity were good.

The following key figures describe the company's financial position and results of operations:

	2021	2020	2019
Turnover	5 455 023,67	1 511 769,83	2 011 605,31
Net profit	-3 930 017,94	-6 777 444,44	-6 448 559,05
Net profit %	neg.	neg.	neg.
Return on equity -%	NA	NA	NA
Equity ratio -%	11%	31%	53%

Personnel

The company's average number of employees was 52 during 2021.

Key figures describing the company's personnel:

	2021	2020	2019
Average number of employees	52	56	59

Personnel expenses	2021	2020	2019
Wages and salaries	3 513 328,75	3 451 396,95	3 519 589,94
Pension expenses	619 612,89	514 299,50	644 489,29
Other personal expenses	131 155,42	106 658,25	104 837,85
Total personnel costs	4 264 097,66	4 072 354,70	4 268 917,08

Environmental

Canatu laid the foundation for its sustainability strategy and targets and was ranked by the global rating platform EcoVadis as one of the top 25% companies in the world for sustainability, following the ISO14001:2015 Certification received already at the end of 2020.

Option and other special rights

No new authorizations for the financial year 2021.

The share issue authorizations

No warrants and other special rights subscriptions in the financial year 2021.

Board of Directors' proposal on the handling of the company's distributable funds

The company has no distributable funds. The loss for the financial year is 3 930 017,94 euros. The Board of Directors proposes to the Annual General Meeting that the company does not distribute a dividend for 2021.

Company shares

The company has 5 different share classes. All share classes have the same right to a dividend, but the rights of the share classes to the company's assets are defined in the Articles of Association. All shares are subject to the redemption clause in the Articles of Association, according to which shareholders have the right to redeem a share transferred to a non-shareholder.

The company's share capital is divided as follows:

	2021	2020
Shares (amount of shares)	6 289 733	6 289 733

Own shares

The company does not hold any of its own shares on December 31, 2021.

Company organization, management and auditors

Since the company's Annual General Meeting held on May 18, 2021, Ari Ahola, Jörg Buchholz, Denis Cherkasov and Tony Cannestra have served as members of the Board. Ari Ahola has served as Chairman of the Board. Following the company's Extraordinary General Meeting held on November 17, 2021, Ronald Black was elected as a new member of the Board of Directors, and the previously elected members continued their duties.

Ernst & Young Oy has acted as the company's auditor, with Harri Kauttonen as the principal auditor.
Juha Kokkonen has served as the company's CEO.

Foreign and domestic subsidiaries and associates

100% owned subsidiaries of Canatu Oy:

USA: Canatu Inc. Orlando

Financial statements

2021

CANATU

Canatu OY

Business ID 1886098-1

PROFIT AND LOSS ACCOUNT	**1.1.-31.12.2021**	**1.1.-31.12.2020**
NET TURNOVER	**5 455 023,67**	**1 511 769,83**
Other operating income	546 936,20	254 472,00
Raw materials and services		
Raw materials and consumables		
Purchases during the financial period	-1 479 810,12	-320 388,25
External services	-265 031,36	-373 749,47
Materials and external services total	-1 744 841,48	-694 137,72
Staff expenses		
Wages and salaries	-3 513 328,75	-3 451 396,95
Social security expenses		
Pension expenses	-619 612,89	-514 299,50
Other social security expenses	-131 155,42	-106 658,25
Staff expenses total	-4 264 097,06	-4 072 354,70
Depreciation and reduction in value		
Depreciation according to plan	-749 089,01	-775 641,65
Other operating expenses	-2 904 229,27	-2 725 639,99
OPERATING PROFIT (LOSS)	**-3 660 296,95**	**-6 501 532,23**
Financial income and expenses		
Other interest income and financial income		
From others	6 909,07	11 807,61
Interest and other financial expenses		
Others	-276 630,06	-287 719,82
Financial income and expenses total	-269 720,99	-275 912,21
PROFIT (LOSS) BEFORE APPROPRIATIONS	**-3 930 017,94**	**-6 777 444,44**
AND INCOME TAXES		
Taxes at source	0,00	0,00
PROFIT (LOSS) FOR THE FINANCIAL YEAR	**-3 930 017,94**	**-6 777 444,44**

CANATU

BALANCE SHEET	31/12/2021	31/12/2020
ASSETS		
NON CURRENT ASSETS		
Intangible assets		
Intangible rights	766 192,24	701 619,56
Other capitalized long-term expenses	1 948,06	3 323,02
Intangible assets total	768 140,30	704 942,58
Tangible assets		
Buildings	1 872 778,27	1 945 833,04
Machinery and equipment	1 831 612,31	1 462 537,77
Other tangible assets	706 611,03	979 551,16
Tangible assets total	4 411 001,61	4 387 921,97
Receivables		
Short-term assets		
Account receivable	444 726,11	376 925,16
Other receivables	258 519,09	258 501,10
Accrued receivables	258 955,41	148 273,08
Total receivables	962 200,61	783 699,34
Other investments	6 340 577,09	9 848 214,10
Cash and equivalents	2 088 294,49	2 098 121,89
TOTAL ASSETS	**14 570 214,10**	**17 822 899,88**
LIABILITIES & EQUITY		
Shareholders´ equity		
Share capital	8 000,00	8 000,00
Share issue		
Other equity	49 496 273,12	49 496 273,12
Retained earnings (loss)	-43 908 648,96	-37 131 204,52
Profit for the financial year	-3 930 017,94	-6 777 444,44
Capital and reserves total	1 665 606,22	5 595 624,16
LIABILITIES		
Long-term liabilities		
Loans from financial institutions	6 351 333,00	5 758 750,00
Long-term liabilities, total	6 351 333,00	5 758 750,00
Short-term liabilities		
Loans from financial institutions	3 971 667,00	5 064 250,00
Received prepayments	770 682,00	
Accounts payable	705 367,81	497 828,17
Other liabilities	87 876,22	83 953,70
Accrued liabilities	1 017 681,85	822 493,85
Short-term liabilities, total	6 553 274,88	6 468 525,72
Total liabilities	12 904 607,88	12 227 275,72
TOTAL LIABILITIES & EQUITY	**14 570 214,10**	**17 822 899,88**

Appendix

Appendix to financial statements

Consolidated financial statements

The consolidated financial statements have not been prepared pursuant to section 6:1 of the PCA, as the subsidiaries are not material to the correct and sufficient information.

Valuation principles and methods

Intangible and tangible assets are recognized in the balance sheet at acquisition cost less planned depreciation.

Ordinary machine and equipment investments account for a 25% expense depreciation.

Two-year straight-line depreciation on R & D, equipment and testing facilities has been booked until the end of 2015, and from thereafter a straight-line depreciation of five years.

10 year straight-line depreciation on R&D machinery, equipment and test facility costs from 2018 onwards.

10 year straight-line depreciation on production equipment's costs from 2018 onwards.

Sequential principles and methods

Fundamentals of planned depreciation:

	Estimated holding time	Depreciation and depreciation method
Buildings	20 years	straight-line depreciation
Production equipment's	10 years	straight-line depreciation
Patents	5 years	straight-line depreciation
Patents since 2018	10 years	straight-line depreciation
Computer software	2 - 3 years	straight-line depreciation
Research and development expenses	2 - 5 years	straight-line depreciation
Machinery and equipment		25% expense depreciation

Partial revenue recognition

Partial revenue recognition for an unfinished project is based on the degree of completion.

The percentage of completion is calculated on the basis of actual costs and estimated total costs.

Partial revenue is recognized on the basis of the percentage of completion times the sales of the project.

Impact of partial income recognition

The remaining EUR 147,777 of the partially recognized project in 2019 has been recognized as income in 2021.

In 2021, the invoice 10833 will be partially recognized so that in 2021 the remaining portion will be EUR 770,682.

The remaining portion will be recognized as income for the financial year 2022 when delivery is completed.

CANATU

Appendix to the profit and loss account

Personnel costs and staff on average	**2021**	**2020**
During the financial year, the company employed an average of	52 employees	56 employees
Personnel expenses		
Wages and salaries	3 513 328,75	3 451 396,95
pension costs	619 612,89	514 299,50
Other personal expenses	131 155,42	106 658,25
Total staff costs	4 264 097,06	4 072 354,70
Depreciation and impairment		
Research and development expenditure	293 255,79	333 812,27
Depreciation on long-term expenditures	139 426,85	162 941,08
Depreciation on buildings	103 111,37	100 613,14
Depreciation on machinery and equipment	205 657,99	178 275,16
Reduction in value of current	7 637,01	0,00
Depreciation total	749 089,01	775 641,65
Auditor's fees		
Audit	11 977,00	12 283,00
The assignments referred to in section 1.1.2 of the TTL	0,00	0,00
Total auditor's fees	11 977,00	12 283,00
Financial income and expenses		
Financial income		
Interest income	177,82	0,00
Foreign exchange gains	6 731,25	11 807,61
Total financial income	6 909,07	11 807,61
Exchange rate differences on sales were recognized in sales adjustment items	7 672,61	-1 642,73
Financial expenses		
Interest expenses on financial institution loans	274 501,78	81 921,34
Other interest expenses	180,58	18 306,76
Other borrowing costs	1 506,86	16 193,16
Foreign and exchange losses	440,84	171 298,56
Total financial expenses	276 630,06	287 719,82
Exchange losses on purchases are booked on purchase adjustments	15 742,59	4 297,78

CANATU

Appendix to the balance sheet

Fixed assets	**2021**	**2020**
Intangible assets		
Patents 1.1.	1 064 342,28	788 651,61
Additions	202 624,57	275 690,67
Depreciation in the beginning of the financial year	-362 722,72	-201 156,60
Depreciation for the financial year	-138 051,89	-161 566,12
Patents 31.12.	766 192,24	701 619,56
Premises renovation costs 1.1.	6 072,94	6 072,94
Depreciation in the beginning of the financial year	-2 749,92	-1 374,96
Depreciation for the financial year	-1 374,96	-1 374,96
Premises renovation costs 31.12.	1 948,06	3 323,02
Intangible assets total 31.12.	**768 140,30**	**704 942,58**
Tangible assets		
Buildings 1.1.	2 046 446,18	1 933 774,70
Additions	30 056,60	112 671,48
Depreciation in the beginning of the financial year	-100 613,14	0,00
Depreciation for the financial year	-103 111,37	-100 613,14
Buildings 31.12.	1 872 778,27	1 945 833,04
Machinery and equipment 1.1.	94 577,60	94 577,60
Depreciation in the beginning of the financial year	-41 377,32	-23 644,20
Depreciation for the financial year	-13 299,84	-17 733,12
Machinery and equipment 31.12.	39 900,44	53 200,28
Production machinery 1.1.	1 666 736,63	1 531 635,45
Additions	574 732,53	135 101,18
Depreciation in the beginning of the financial year	-257 399,14	-96 857,10
Depreciation for the financial year	-192 358,15	-160 542,04
Production machinery 31.12.	1 791 711,87	1 409 337,49
Other tangible assets 1.1.	1 605 685,47	1 325 899,54
Additions	20 315,66	279 785,93
Depreciation in the beginning of the financial year	-626 134,31	-292 322,04
Depreciation for the financial year	-293 255,79	-333 812,27
Other tangible assets 31.12.	706 611,03	979 551,16
Total tangible assets 31.12.	**4 411 001,61**	**4 387 921,97**
Holdings in other companies		
	Own capital	Profit of the financial period
Canatu Inc, Orlando, USA	40 906	16 799

Appendix to the balance sheet liabilities

Own capital	**2021**	**2020**
Restricted equity		
Share Capital 1.1.	8 000,00	8 000,00
Share Capital 31.12.	8 000,00	8 000,00
Free equity		
Fund for invested unrestricted equity 1.1.	49 496 273,12	49 496 273,12
Fund for invested unrestricted equity 31.12.	49 496 273,12	49 496 273,12
Profit (loss) from previous financial years 1.1.	-43 908 648,96	-37 131 204,52
Net profit (loss)	-3 930 017,94	-6 777 444,44
Profit (loss) from previous financial years 31.12.	-47 838 666,90	-43 908 648,96
Equity total 31.12.	1 665 606,22	5 595 624,16
Distributable own capital		
Free equity	1 657 606,22	5 587 624,16
Other tangible assets	-706 611,03	-979 551,16
	950 995,19	4 608 073,00
In the invested unrestricted equity fund is presented the share subscription fee corresponding to the number of registered items.		
Accrued expenses		
Pension expenses	462853,00	790100,75
Interest expenses	32 393,09	32393,10
	495246,09	822493,85
Responsibilities and guarantees		
Credit cards, amount of responsibility	5 710,84	7 832,63
Amount available	5 710,84	7 832,63
secured		
deposit	10 475,99	10 475,99
Rental liabilities		
Leaseholdability of premises, Vantaa Tiilitie 6 months	214 115,82	172 260,96
Leaseholdability of premises	193 025,11	193 025,11
Leasing		
Payable next financial year	62 957,25	65 055,37
Payable later than one year	28 816,09	55 950,10
Other responsibilities	**2021**	**2020**
Hosiden Europe GmbH, 24.10.2017	55 000,00	55 000,00
Liabilities that mature later than five years	0,00	0,00

Appendix to the operations

An estimate of likely future development

The company's operations involve uncertainty due to the development of sales. The company's management plans measures to ensure continuity of operation. These actions may include a new equity financing round.

Subordinated loans

The company has no subordinated loans on December 31, 2021.

Option and other special rights

The company has no subordinated loans on December 31, 2021.

The share issue authorizations

No warrants and other special rights subscriptions in the financial year 2021

Directed share issues

No direct share issues in 2021.

Appendix to the operations

The number of shares in the company by type of shares and the main provisions of the Articles of Association concerning each class of shares

The company's share capital is divided by class of shares as follows:		
Shares (1 vote per share)		
Registered share capital:	31.12.2021	31.12.2020
A-share, number of	1 511 805	1 511 805
B-share, number of	2 115 345	2 115 345
C-share, number of	564 722	564 722
D-share, number of	1 045 296	1 045 296
E-share, number of	1 052 565	1 052 565
Total subscribed, paid, number of	6 289 733	6 289 733
The Articles of Association contain a redemption clause for shares.		

The Board of Directors proposal on measures for the financial year

The Board of Directors proposes that a loss of EUR 3 930 017,94 for the financial year be transferred to the Profit / Loss Account for previous years and no dividend is paid.

Salaries and remuneration of the CEO and members of the Board of Directors 2021

The CEO has received remuneration of EUR 211 646,60 in 2021.

Canatu Oy's actual Board members has received remuneration of EUR 15 000 in 2021.

Signatures

Vantaa April 2022

DocuSigned by:
3CEDBD23C3F9419...

Ari Ahola
member, appointed as Chairman

DocuSigned by:
9ADCC5D6AC72445...

Jörg Buchholz
member

DocuSigned by:
832316DE63DF467...

Denis Cherkasov
member

DocuSigned by:
Tony Cannestra
42380B0F258445F...

Tony Cannestra
member

DocuSigned by:
Ron Black
E56E02527D324D5...

Ronald Black
member

DocuSigned by:
E86DDE2BEB9D4A3...

Juha Kokkonen
CEO

Auditor's note

Helsinki 2022

Ernst & Young Oy
Tilintarkastusyhteisö

Harri Kauttonen,
KHT

Business ID 1886098-1

CANATU

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AUDITOR'S REPORT (Translation of the Finnish original)

To the Annual General Meeting of Canatu Oy

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Canatu Oy (business identity code 1886098-1) for the year ended 31 December, 2021. The financial statements comprise the balance sheet, income statement and notes.

In our opinion, the financial statements give a true and fair view of the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the company's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other reporting requirements

Other information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

Helsinki 13.5.2022

Ernst & Young Oy
Authorized Public Accountant Firm

HARRI KAUTTONEN

Harri Kauttonen
Authorized Public Accountant

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