

## **REVERSE SHARE SPLIT OF GLASTON CORPORATION – FREQUENTLY ASKED QUESTIONS**

### **I own shares in Glaston. Does the reverse share spit require actions from me?**

No, Glaston will carry out the reverse share split. Shareholders can participate and vote in the Extraordinary General Meeting on 26 February 2019 where the reverse share split will be decided.

### **What is the combination ratio of the reverse share split? How does the number of shares change?**

Each five Glaston shares will be combined to one share. The total number of shares in Glaston will decrease from approx. 193.6 million to approx. 38.7 million.

### **Why will the shares be merged?**

Merging the shares will increase the value of an individual share. Glaston believes that merging the shares will increase interest in the company's share and therefore facilitate trade in the shares. Moreover, merging the shares will increase flexibility in connection with a possible distribution of funds. We thus believe that merging the shares is in the interest of the company and all of its shareholders.

### **How does a 5:1 reverse share split actually work?**

The reverse share split has practically the same result as combining five so-called old shares into one new share, which will have five times the value of the old share. Technically the reverse share split will be carried out so that Glaston redeems from each shareholder a number of shares corresponding to the result of multiplying the number of shares on each book-entry account on the reverse split date by a coefficient of  $4/5$ , i.e. for example, if a shareholder owns 300 Glaston shares, 240 shares are redeemed ( $4/5 \times 300 = 240$ ) and the shareholder has 60 shares going forward.

To avoid a fractional number of shares, the number of redeemed shares is rounded up to the next full share, if necessary. The extra share fractions that are redeemed are sold on behalf of the shareholder in the Nasdaq Helsinki stock exchange.

For example, if a shareholder has 747 shares, 598 shares are redeemed ( $4/5 \times 747 = 597.6$ ) and the shareholder will have 149 shares going forward. The extra 0.4 shares will be combined with the other fractions to be created in the procedure and will be sold on behalf of the shareholder. The proceeds acquired from the sale of these 0.4 shares together with any interests accrued thereon will be paid to the shareholder in cash on or about 8 March 2019.

In other respects, the shares redeemed without compensation will be cancelled immediately in connection with the redemption. The fractions of shares to be redeemed due to the rounding-up will be combined and sold without delay on behalf of the respective shareholders.

### **What happens if I own less than five shares?**

If you own less than five shares, all your shares will be redeemed and the proceeds with possible interests will be paid to you whereupon you are no longer a shareholder of Glaston.

### **Will the reverse split affect the value of my investment?**

No. A reverse share split simply means that there will be a reduction in the number of outstanding shares. The total market value of the shares will not be affected as a result of the reverse share split, except with respect to the redemption of share fractions. The stock price of Glaston and consequently the value of your investment is determined in daily trading on the Nasdaq Helsinki stock exchange. Even though the reverse split does not have a direct immediate impact on the value of the Glaston share, the purpose of the reverse share split is to have better trading conditions for the share, which Glaston believes will be valuable for all its shareholders.

To illustrate the result of the reverse share split, let's assume that an investor owns 500 shares with a market price of EUR 0.45 per share, so the investment is worth a total of EUR 225. Let's also assume that the stock price does not change for any other reason. After combining five shares into one, the investor would own 100 shares worth EUR 2.25 each, and the entire investment value remains at EUR 225.

### **Will the reverse split have an impact on how much Glaston I own?**

The reverse share split has an effect on your ownership in Glaston only in the case of possible share fractions to be redeemed due to the rounding-up, in which case your ownership in Glaston would decrease by the amount corresponding to the fraction of the share.

### **How will I receive the combined shares?**

If you hold shares in a book-entry account, the number of combined shares will appear on your account automatically after the reverse share split has been carried out, on 28 February 2019 after the close of trading. You may contact your broker if you have any further questions regarding the timing.

### **Why has the ratio 5:1 been chosen?**

Reverse split with a combination ratio of 5:1 has been chosen to achieve a reasonable share price level. At the same time we strive to minimise the number of shareholders from whom the entire investment is redeemed and the number of shareholders for whom the split ratio leads to a fractional number of shares.

### **What is the timetable for the reverse share split?**

- 26 February 2019: Extraordinary General Meeting

Extraordinary General Meeting of Glaston convenes to decide on the reverse share split

- 28 February 2019: Reverse share split date

The reverse share split date, on the basis of which the shareholders' right to proceeds acquired from the sale of shares redeemed due to the rounding-up is determined

- 1 March 2019: Cancellation of the shares and registration of the reduced number of shares

The cancellation of shares and the new total number of shares in the company will be evidenced in the Trade Register on or about 1 March 2019 at the latest.

- 1 March 2019: Trading with the new total number of shares starts

Trading with the new total number of the company's shares will commence on Nasdaq Helsinki with a new ISIN code on or about 1 March 2019. The new ISIN code will be FI4000369657.

- 8 March 2019: Proceeds from the sale of fractional shares paid to shareholders

Proceeds acquired from the shares sold due to the rounding-up will be paid to shareholders entitled thereto on or about 8 March 2019.