



INSIDE INFORMATION: THE BOARD OF DIRECTORS OF NORRHYDRO GROUP PLC HAS DECIDED TO ISSUE A CONVERTIBLE BOND OF NO MORE THAN EUR 1.5 MILLION THAT HAS BEEN FULLY SUBSCRIBED FOR

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Norrhydro Group Plc | Company announcement | Inside information | 28 December 2023 at 12:00

Today, 28 December 2023, the Board of Directors of Norrhydro Group Plc (the “**Company**”) has decided to issue a convertible bond of no more than EUR 1.5 million (“**Convertible Bond**”) and grant the noteholders special rights regarding the Convertible Bond entitling to shares pursuant to chapter 10, section 1 of the Finnish Companies Act. The Convertible Bond transaction is executed in order to finance the Company’s growth and the commercialisation of new products. The Company has received subscription commitments for the Convertible Bonds totalling EUR 1.5 million. The Company has today accepted the subscriptions made under all of the above mentioned subscription commitments, of which the acceptance of the subscription of EUR 0.1 million has been made conditional upon the payment of the subscription price by 31 January 2024.

Convertible Bond

The nominal value of a loan share (“**Loan Share**”) of a note is EUR 100,000. Each Loan Share entitles the noteholder to a total of 48,000 special rights, each entitling to subscribe for one (1) new share in the Company.

The holder of the Convertible Bond has the right to convert the Convertible Bond into shares in the Company at any time during the conversion period, which begins when the noteholder has paid the loan capital of the note in full to the Company and continues until the principal has been repaid in full, but no later than 30 December 2026. When converting the Convertible Bond into shares in the Company, the subscription price of a share is EUR 2.08333. If all notes are converted into new shares in the Company and the subscription price has not been changed in accordance with the terms of the Convertible Bond based on the Company’s special rights, the number of new shares to be issued shall not exceed 720,000 shares.

The loan period begins when the Convertible Bond is paid to the Company and ends on 31 December 2026 on which date the Convertible Bond matures in full for repayment in accordance with the terms of the loan.

The Convertible Bond shall bear an annual interest rate of ten (10) per cent for the loan period. The annual interest is due and payable annually every six (6) months from the date of withdrawal.

In deviation from the shareholders’ pre-emptive subscription right, the Convertible Bond and the related special rights entitling to shares will be offered for subscription by four investors who have given prior subscription commitments to the Company. The shareholders’ pre-emptive subscription right is deviated from because the special rights are granted in the form of loan shares in order to finance the Company’s growth and commercialisation of new products. Deviation from the pre-emptive subscription right is also reasoned on the possibility to carry out the arrangement on an accelerated basis and

low transaction costs. Thus, the Board of Directors deems that there is a weighty financial reason for granting special rights from the Company's point of view.

The Company has approved all subscriptions made in accordance with the subscription commitments mentioned above on 28 December 2023, with the acceptance of the subscription of EUR 0.1 million being conditional upon the payment of the subscription price by 31 January 2024. The subscription price of other loan shares, i.e. a total of EUR 1.4 million, has been paid in full. Therefore, the Convertible Bond has been fully subscribed for in connection with the decision concerning the issuance.

The terms of the Convertible Bond are attached to this release as [Annex 1](#).

In Rovaniemi 28 December 2023

NORRDHYDRO GROUP PLC

BOARD OF DIRECTORS

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Norrhydro Group Plc in brief

Norrhydro, founded in 1985, is a Finnish forerunner in motion control and a provider of energy-efficient hydraulic cylinders and system suppliers specialising in high-quality, customised and energy-efficient hydraulic cylinders and demanding linear motion control systems and mobile equipment. The company has more than 35 years of experience in developing and manufacturing customised hydraulic cylinders and liners motion control systems for the most demanding conditions and environments. In 2022, the company generated revenues of EUR 29.7 million, EBITDA of EUR 1.7 million and operating profit of EUR 0.8 million.

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Attachments

- [Download announcement as PDF.pdf](#)
- [Norrhydro Group Plc - Convertible bond terms.pdf](#)