



Nordic Unmanned ASA announces term sheet on a financial restructuring including amendments to its loan and guarantee facilities agreement and a private placement followed by an underwritten subsequent repair offering

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Nordic Unmanned ASA ("Nordic Unmanned" or the "Company") announces that it has entered into a term sheet with its secured bank lenders (the "Lenders") and its main shareholder (50.24% of the Company's outstanding shares) Tjelta Eiendom AS ("Tjelta Eiendom"), on a partial conversion to equity of its existing secured debt obligations, revised terms for the remaining secured debt obligations, new short term liquidity and a capital raise structured as a private placement with an underwritten subsequent repair offering. The parties have entered into a term sheet setting out the main terms of the solution, subject to certain conditions, including final documentation and agreements with certain third parties as further described below, and approval by a general meeting of the Company (the "General Meeting"). The Company will in the near future issue a notice for such General Meeting. Tjelta Eiendom has undertaken to vote in favour of the Private Placement and the Subsequent Offering at the General Meeting.

In order to facilitate an agreement with the Lenders, Tjelta Eiendom has agreed to provide NOK 23,500,000 in a private placement of 470,000,000 new shares in the Company at a subscription price of NOK 0.05 per share (the "Private Placement"), and to guarantee the full subscription of a NOK 23,500,000 subsequent repair offering of 470,000,000 new shares in the Company at the same subscription price as in the Private Placement with pro rata preferential subscription rights for eligible shareholders in the Company other than Tjelta Eiendom, as further described below (the "Subsequent Offering").

Background

Reference is made to the CEO letter in the Q4 2023 report, where 2024 is defined as a bridge year with a board approved turnaround plan, supported by a capital plan. Despite the strengths, efforts, and historic achievements of Nordic Unmanned, there is an ongoing focus on improvements to ensure a lighter balance sheet and profitability as well as addressing the seasonal, asymmetric, negative cashflow and lack of sufficient volume. The Company started the turnaround in Q3 2023, improving operational efficiency, further developing the business models and market approach, optimizing partnering models and reducing future capital expenditures.

The Company has since late last autumn been subject to delays and timing differences in operations and deliveries and consequent impact on cash flows in the Flight Services and AirRobot segments. Such delays have led to an instant liquidity squeeze. The AirRobot segment has also recently seen a delay in the deliveries to a UK client, and the Company's current assessment is that this postponement may lead to some additional temporary payment delays. The balance sheet is also overleveraged and undercapitalized compared to the underlying business model and cashflow.

On the other hand, there are multiple opportunities for tendering for all business segments. AirRobot is expected to gain the certification of the AR-100H from the German Military Aviation Authority and start delivering the AR-100H to Bundeswehr in Q2 2024. DroneMatrix is further pursuing defense and security contracts with its Drone in a Box system.

The use of drones and related services as an enabling technology for actionable data gathering for a safer future. In order to benefit from that, the Company will build on the strengths of Nordic Unmanned and ensure control, have the right position and focus, make the right priorities and consequently take the right actions to be better placed for the future. The Company does, however, need time, room and financial flexibility to execute on activities identified in the turnaround plan, while simultaneously working on the capital plan and ensuring safe and efficient operations.

The combination of additional capital and less debt leads to a stronger balance sheet and somewhat better flexibility to support the Company through the seasonality and lumpiness of the activity in the industry and thus the transition.

With reference to the above, the turnaround and capital plan, the Company believes that the agreed term sheet with the Lenders and Tjelta Eiendom represents the best available solution for the Company under the circumstances.

The key terms of the terms agreed with the Lenders and Tjelta Eiendom are as follows:

- The Company shall raise new equity through share issues with aggregate gross proceeds of at least NOK 47,000,000. The Company will in this respect propose to the General Meeting that the Company raises NOK 23,500,000 from Tjelta Eiendom in the Private Placement and NOK 23,500,000 in the Subsequent Offering, fully underwritten by Tjelta Eiendom, in both cases at a subscription price of NOK 0.05 per share.
- Of the EUR 12,269,613 current outstanding principal of the Company's term loan facility with the Lenders (the "Term Loan Facility"), an amount of EUR 5,172,414 (being the approximate EUR equivalent of NOK 60 million as of the date hereof) shall be converted to shares in the Company at a conversion price of NOK 0.10 per share. The outstanding principal of the Term Loan Facility following the conversion will amount to EUR 7,097,199.
- The first interest payment of the Term Loan Facility is postponed until 30 June 2025, with quarterly interest payments following first interest payment.
- The existing bridge loan of EUR 2,000,000 with the Lenders (the "Bridge Loan") shall remain in force until the end of August 2024, and Tjelta Eiendom's guarantee towards the Lenders shall be extended beyond August 2024 until the Bridge Loan have been paid, if not paid in August 2024.
- Pre-agreed sharing of net proceeds with the Lenders in case of sale of assets.

Conditionality

The transactions and amendments described above, will be subject to various conditions outside the Company's control, including but not limited to:

- Approval by the General Meeting; and
- Certain consents and concessions from contractual parties and lenders of the Company.

As the subscription and conversion prices set out above are lower than the Company's current par value per share of NOK 0.35, the Private Placement, the Subsequent Offering and thereby the transactions and amendments set out above, will also be conditional upon the General Meeting resolving to reduce the par value of the shares in the Company to a level equal to or lower than NOK 0.05 per shares, and the subsequent completion of such share capital reduction following a six week creditor notice period after the General Meeting. Such proposal will be included in the notice of the General Meeting.

New immediate liquidity

The Company has been granted and paid a new liquidity loan by the Lenders (the "Liquidity Loan") of EUR 2 million, backed by a cash deposit from Tjelta Eiendom. In addition, Tjelta Eiendom has granted the Company an additional liquidity loan (the "Additional Liquidity Loan") of EUR 1 million if and when needed. To the extent the Additional Liquidity Loan is not repaid by the Company, Tjelta Eiendom shall have the right to require a conversion of the outstanding amount to shares in the Company at a conversion price of NOK 0.05 per share. Correspondingly, Tjelta Eiendom's recourse claims against the Company in the event of default of the Bridge Loan or the Liquidity Loan and exercise of Tjelta Eiendom's guarantee shall be made convertible to shares in the Company at a subscription price of NOK 0.05 per share. The Company expects to repay these liquidity loans in accordance with their terms, so that these default provisions will not take effect.

Lock-ups

The shares held by Tjelta Eiendom following the Private Placement, the Subsequent Offering, and any subsequent conversions into shares, shall be subject to a lock-up period of six months following the completion of the Lenders' conversion, during which Tjelta Eiendom shall not sell its shares without the prior written approval of the Company and the Lenders.

The shares held by the Lenders following the conversion of parts of the Term Loan Facility shall be subject to a lock-up period of six months following the completion of the conversion, during which the Lenders shall not sell its shares without the prior written approval of the Company and Tjelta Eiendom.

Subsequent Offering and equal treatment considerations

The Company has considered the Private Placement in light of the equal treatment obligations under the Norwegian Securities Trading Act, the Euronext Growth Rule Book Part II and Oslo Børs' circular no. 2/2014, and the board of directors is of the opinion that the waiver of the preferential rights inherent in a private placement, taking into consideration the time, costs and risk of alternative methods of securing the desired funding, is in the common interest of the shareholders of the Company.

The Company will, subject to completion of the Private Placement and certain other conditions, carry out the Subsequent Offering with gross proceeds of up to NOK 23,500,000, which is equivalent to 470,000,000 new shares, at a subscription

price of NOK 0.05 per share, which is equal to the subscription price in the Private Placement. The Subsequent Offering will be fully underwritten by Tjelta Eiendom, securing the Company's receipt of the full amount of the Subsequent Offering. Tjelta Eiendom has not demanded an underwriting commission for such underwriting.

The Subsequent Offering will primarily, subject to applicable securities law, be directed towards existing shareholders in the Company as of 14 May 2024 (as registered in the VPS two trading days thereafter), who (i) were not allocated Offer Shares in the Private Placement, and (ii) are not resident in a jurisdiction where such offering would be unlawful or would (in jurisdictions other than Norway) require any prospectus, filing, registration or similar action (the "Eligible Shareholders"). These Eligible Shareholders will receive non-transferable subscription rights in the Subsequent Offering. Oversubscription with subscription rights will be allowed. Subscription without subscription rights from investors other than the Eligible Shareholders will also be allowed.

The allocation hierarchy in the Subsequent Offering will be as follows:

- a) Shares shall be allocated to Eligible Shareholders who have subscribed with subscription rights.
- b) Unallocated shares following a) shall be allocated to Eligible Shareholders who have over-subscribed with subscription rights (on a pro rata basis).
- c) Unallocated shares following b) shall be allocated to investors other than the Eligible Shareholders who have subscribed without subscription rights (the board reserves the right to allocate c) at their sole discretion (in consultation with the Manager)).
- d) Unallocated shares following c) shall be allocated to Tjelta Eiendom as underwriter of the Subsequent Offering.

The Subsequent Offering is subject to approval by the General Meeting. Launch of a Subsequent Offering will also be contingent on publishing a prospectus. Completion of the Subsequent Offering will be conditional upon the completion of the Private Placement and the share capital reduction mentioned above.

Advisors

Pareto Securities AS is acting as financial advisor to the Company as well as sole manager and sole bookrunner in the Private Placement and the Subsequent Offering (the "Manager").

Advokatfirmaet Schjødt AS is acting as legal counsel to the Company.

Disclosure regulation

This information is considered to be inside information pursuant to the EU Market Abuse Regulation (MAR) and is subject to the disclosure requirements pursuant to MAR article 17 and section 5-12 of the Norwegian Securities Trading Act. This stock exchange announcement was published by Lars A. Landsnes, CFO on 14 May 2024, at 19:00 CEST

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About Nordic Unmanned

Nordic Unmanned is a leading European manufacturer (OEM) and certified operator of unmanned aircraft systems ("UAS").

We are serving large corporations, government agencies and security customers by offering systems, solutions and flight services for environmentally friendly delivery of productivity improvements and time critical, actionable data insights and logistics services.

Our solutions and services are organized in the three business segments as follows:

Flight Services: is a technology-agnostic flight services operator providing time-critical actionable data to large corporate and governmental customers. The segment also includes NUAer AS and Resale.

AirRobot: is an Equipment Manufacturer (OEM) with a leading product platform in lightweight drones and sensors (payloads) tailored for defense and security.

DroneMatrix: is an Equipment Manufacturer (OEM) offering a fully integrated and autonomous drone system with proprietary software for surveillance and security.

Nordic Unmanned is ISO 9001:2015 and ISO 14001:2015 certified for the operation, maintenance, and sales of unmanned systems and sensor technology. AirRobot is ISO 9001:2015 and EN 9100:2018 certified for its development and production capabilities of unmanned systems.

Founded in Norway in 2014, Nordic Unmanned has offices in Sandnes (NO), Cranfield (UK), Hasselt (BE) and Arnsberg (GER). Nordic Unmanned also comprise joint venture – Omni Unmanned SA with OHI Group SA (registered in Luxembourg) and joint

venture – NUAer AS with Aeromon OY (registered in Norway).

For more information visit - <https://nordicunmanned.com/>

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Actual events may differ significantly from any anticipated development due to a number of factors, including without limitation, changes in investment levels and need for the Company's services, changes in the general economic, political and market conditions in the markets in which the Company operates, the Company's ability to attract, retain and motivate qualified personnel, changes in the Company's ability to engage in commercially acceptable acquisitions and strategic investments, and changes in laws and regulation and the potential impact of legal proceedings and actions. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by forward-looking statements. The Company does not provide any guarantees that the assumptions underlying the forward-looking statements in this announcement are free from errors nor does it accept any responsibility for the future accuracy of the opinions expressed in this announcement or any obligation to update or revise the statements in this announcement to reflect subsequent events. You should not place undue reliance on any forward-looking statements in this announcement.

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This announcement is an advertisement and 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 prospectuses 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 amended) as implemented in any Member State.

Attachments

- [Download announcement as PDF.pdf](#)