



Inside information: Tecnotree Corporation announces its intent to issue compulsory convertible debentures valued at EUR 30 million

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Tecnotree Corporation ("**Issuer**") declares its intention to launch a transaction involving the issuance of compulsory convertible debenture notes ("**Notes**") valued at EUR 30 million in total (300 Notes valued at EUR 100,000 each).

This initiative aims to bolster Tecnotree's research and development efforts, broaden its current product portfolio, finance mergers and acquisitions. In addition, the funds could be used to repurchase outstanding Tecnotree shares for general treasury, corporate activities, incentive schemes, share buyback and cancellation purposes.

The Notes will be offered for subscription to the Issuer's shareholders. In the case of over-subscription, the Notes will be allocated to the subscribers in proportion to their shareholding in the Issuer on the issue date.

The issuance of the Notes may be extended up to EUR 60 million (600 notes valued at EUR 100,000 each) contingent upon shareholder response to the transaction.

The Notes will accrue a 0.01% p.a. interest.

The minimum subscription for the Notes will be EUR 100,000 representing one Note. The Notes will be valid for a term of 5 years. The Notes will be non-transferable, unsecured and will not be listed. The Notes will rank lower than the other debt obligations of the Issuer.

Each Note shall entitle its holder to convert such Note into shares in Tecnotree during the conversion period. The Conversion period will commence on the first anniversary of the issue date and ends on the fifth anniversary of the issue date. The conversion price will be the lower of (i) 5% less than 10 day moving average of the share price of Tecnotree on the Nasdaq Helsinki stock exchange from the date of request for conversion or (ii) the closing price of the Issuer's shares on the Nasdaq Helsinki stock exchange as of the trading day immediately preceding the date of announcing the transaction. The Notes will convert compulsorily into shares of Tecnotree on the fifth anniversary of the issue date unless converted earlier voluntarily.

Additionally, each Note holder will be given 100,000 warrants per each Note to subscribe for shares in the Issuer. Each warrant shall entitle to one share of Tecnotree with a strike price at EUR 0.90 per share. The warrants will be valid for a term of 5 years.

Assuming the issuance of 300 Notes (valued at EUR 30 million in total) and given the closing price of the Issuer's shares on the Nasdaq Helsinki stock exchange on 17 April 2023 (i.e. as of the trading day immediately preceding the date of announcing the transaction), the Notes and warrants will convert into a minimum of 82,724,000 shares in Tecnotree (representing around 20.54% dilution to Tecnotree's current share amount). The final dilution may, however, be higher depending on the final conversion price as mentioned in the above paragraph.

The below shareholders of Tecnotree have underwritten up to EUR 25 million (250 Notes) of the intended issuance of the Notes. These shareholders are Markku Wilenius, Padma Ravichander and Oy Hammarén & Co Ab.

Tecnotree expects to publish the final terms of the transaction (including the subscription period and the instructions for how to participate in the issuance of the Notes) on or before 3 May 2023.

“This transaction underpins strong commitment of Tecnotree’s major shareholders towards our growth strategy aiming to create sustainable ecosystems with our customers and partners. Besides ambitious growth plans, including continued M&A activity, we also want to maintain a strong financial position”, says Indiresch Vivekananda, CFO of Tecnotree Corporation.

“This transaction is in line with the strategic growth and expansion intent that Tecnotree is aggressively pursuing and will strengthen our capability to execute it. We are happy to invite our shareholders to participate in this growth opportunity of Tecnotree”, says Neil Macleod, Chairman of Tecnotree Corporation.

“This transaction will enhance Tecnotree’s ability to become a global player in the AI-ML and 5G market and help further diversify our revenue streams. This will support Tecnotree’s ability to further evolve and innovate its technology stack”, says Jyoti Desai, Vice Chairman of Tecnotree Corporation.

Further information

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About Tecnotree

Tecnotree is a 5G-ready digital Business Support System (BSS) player with AI/ML capabilities and multi-cloud extensibility. It has over 40 years of deep domain expertise and it is amongst the first few companies to attain Platinum Badge in the world for Open API standards by TM Forum. It’s agile and open-source Digital BSS Stack comprises of the full range (order-to-cash) of business processes and subscription management for telecommunication players and other digital services providers, creating opportunities beyond connectivity. Tecnotree also provides a Fintech solution and a B2B2X multi-experience digital marketplace to its subscriber base through the Tecnotree Moments platform to empower digitally connected communities across gaming, health, education, OTT and other vertical ecosystems. Tecnotree is listed on Nasdaq Helsinki (TEM1V). For more information, please visit www.tecnotree.com.