

# Rheinmetall AG: Rheinmetall AG Successfully Places EUR 1 Billion Convertible Bonds

Rheinmetall AG / Key word(s): Issue of Debt

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31-Jan-2023 / 18:11 CET/CEST

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## Rheinmetall AG Successfully Places EUR 1 Billion Convertible Bonds

Düsseldorf, 31<sup>st</sup> January 2023: Rheinmetall AG ("**Rheinmetall**" or the "**Company**", ISIN: DE0007030009, Frankfurt Stock Exchange: RHM GY Equity) placed today two series of unsubordinated, unsecured convertible bonds with an aggregate principal amount of EUR 500 million due on 7<sup>th</sup> February 2028 ("**Series A**") and with an aggregate principal amount of EUR 500 million due on 7<sup>th</sup> February 2030 ("**Series B**") (together the "**Bonds**"). The Bonds will be convertible into new and/or existing no-par value ordinary bearer shares of Rheinmetall (the "**Shares**"). The pre-emptive rights (*Bezugsrechte*) of existing shareholders of the Company to subscribe for the Bonds were excluded.

The Company will receive aggregate gross proceeds of EUR 1 billion from the Bonds.

The Company intends to use the net proceeds from the issue of the Bonds to finance a significant share of the intended acquisition of Expal Systems S.A., announced by Rheinmetall on 13 November 2022, to provide strategic flexibility to fund internal and external growth initiatives and for general corporate purposes. The remaining purchase price for Expal Systems S.A. is expected to be funded with cash on hand and bank loans.

## Convertible Bonds

The Bonds in the denomination of EUR 100,000 each will be issued at their principal amount. The Bonds of Series A will bear an annual coupon of 1.875% and the Bonds of Series B will bear an annual coupon of 2.250%, in each case payable on a semi-annual basis. The initial conversion price amounts to EUR 309.90 (Series A) and EUR 309.90 (Series B), respectively, representing a conversion premium of 45% (Series A) and 45% (Series B), respectively, above the reference price

of EUR 213.7213, in each case set as the average of the volume-weighted average price of the Shares on XETRA between launch and pricing on today's trading day.

Unless previously converted, redeemed or repurchased and cancelled, the Bonds of each Series will be redeemed at their principal amount at their respective maturity.

The Bonds were offered by way of an accelerated bookbuilding process exclusively to institutional investors outside the United States of America (the "United States") in reliance on Regulation S under the U.S. Securities Act of 1933, as amended, as well as outside of Australia, Japan, South Africa and any other jurisdiction in which offers or sales of the Bonds would be prohibited by applicable law (the "Offering").

The Company may redeem all, but not some only, of the Bonds outstanding of the relevant Series at their principal amount plus accrued interest (i) if the price of the Shares is equal to or exceeds 130% of the prevailing conversion price within a certain period, or (ii) if at any time the aggregate principal amount of the Bonds of the relevant Series outstanding has fallen to 20% or less of the aggregate principal amount of the Bonds of the relevant Series originally issued.

The Bonds are expected to be settled on or around 7<sup>th</sup> February 2023. Following the settlement of the Bonds, the Company intends to arrange for the Bonds to be included to trading on the Open Market segment (*Freiverkehr*) of the Frankfurt Stock Exchange.

As part of the transaction, the Company has agreed to a lock-up period of 90 days, subject to customary exemptions and waiver by the joint global coordinators.

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In the United Kingdom, this announcement is directed only at Qualified Investors within the meaning of Regulation (EU) 2017/1129 as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "EUWA") who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") or (ii) who fall within Article 49(2)(a) to (d) of the Order, and (iii) to whom it may otherwise lawfully be communicated (all such persons together being referred to as "relevant persons"). This announcement must not be acted on or relied on (i) in the United Kingdom, by persons who are not relevant persons, and (ii) in any member state of the European Economic Area, by persons who are not Qualified Investors.

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Bonds have been subject to a product approval process, which has determined that: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "distributor") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels. The target market assessment is without prejudice to the requirements of any contractual or legal selling restrictions in relation to any offering of the Bonds and/or the underlying shares. For the avoidance of doubt, the target market assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any

investor or group of investors to invest in, or purchase, or take any action whatsoever with respect to the Bonds.

The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA or the United Kingdom (the "UK"). For these purposes, a "retail investor" means (a) in the EEA, a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MIFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MIFID II; or (iii) not a Qualified Investor as defined in the Prospectus Regulation and (b) in the UK, a person who is one (or more) of (i) a retail client within the meaning of Regulation (EU) No. 2017/565 as it forms part of UK domestic law by virtue of the EUWA or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 of the UK (the "FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of regulation (EU) No. 600/2014 as it forms part of UK domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No. 1286/2014 (the "EU PRIIPs Regulation") or the EU PRIIPs Regulation as it forms part of UK domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Bonds or otherwise making them available to retail investors in the EEA or the UK has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA or the UK may be unlawful under the EU PRIIPs Regulation and/or the UK PRIIPs Regulation.

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The date of admission of the Bonds and the shares issued upon conversion to trading may be influenced by things such as market conditions. There is no guarantee that admission will occur, and you should not base your financial decisions on the Company's intentions in relation to admission at this stage. Acquiring investments to which this announcement relates may expose an

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ISIN: DE0007030009

WKN: 703000

Indices: MDAX

Listed: Regulated Market in Berlin, Dusseldorf, Frankfurt (Prime Standard), Hamburg, Munich, Stuttgart; Regulated Unofficial Market in Hanover, Tradegate Exchange

EQS News 1548121

ID:

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1548121 31-Jan-2023 CET/CEST