BONDS IN NOMINAL VALUE OF EUR 8 MILLION ISSUED BY MAGNETIC MRO

News / Finance, Maintenance / Trainings



Magnetic MRO issued bonds in total aggregate value of EUR 8 million. The company has submitted an application to Nasdaq Tallinn Stock Exchange Listing & Supervisory Committee for listing the bonds on the multilateral trading facility First North. Capital raised with the bond issue will be used for acquiring a competitor operating in the same industry and further expanding Magnetic MRO's business.

Magnetic MRO has seen rapid growth fuelled by banks and private equity funds. Capital markets are seen as a strategical step to secure the funding of next milestones.

The CEO of Magnetic MRO Risto Mäeots believes in a warm reception from the Baltic capital market. "Magnetic MRO has expanded rapidly in the last couple of years. Despite our fast growth, we hold a very small percentage of the global aircraft maintenance market and there is a lot of room for us to gain a bigger market share. Furthermore, our expansion plans are supported by the industry's overall stable growth. We are an ambitious organization whose market is not limited by our owner's geographical location. Hopefully, our global reach and proven success receive a positive reception from investors."

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Mäeots added that entering the public securities market is a carefully planned step in the organization's long-term strategy and the acquisition of a new company using the raised capital is a noteworthy addition to Magnetic MRO's existing portfolio.

Therefore, Magnetic MRO arranged a non-public offering of bonds to Baltic institutional investors and private banking customers in December 2018. In primary offering, Magnetic MRO issued bonds in total nominal value of EUR 8 million with option to increase the issue size to EUR 15 million. Bonds will be redeemed on December 21st, 2021, and investors will receive annual interest of 8% in quarterly payments. Redgate Capital AS and Ellex Raidla Advokaadibüroo OÜ (Ellex Raidla law firm) advised Magnetic MRO on the bond issuance.

Redgate Capital's capital markets adviser Kristjan Petjärv stated that the alternative market First North is a great springboard for a growing organization to be listed on the stock exchange main list. "Stock exchange supervision, requirements for disclosure and reporting with the opportunity to conclude secondary market transactions on a regulated platform provide investors an added sense of security.



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