



Ekosem-Agrar plans prolongation and interest rate reduction of corporate bonds

- **Effects of sanctions, key interest rate increase and currency risks on the company's business performance currently not foreseeable**
- **Management assumes that planned refinancing of bond 2012/2022 via the capital market will not be possible in the foreseeable future**
- **5-year prolongation as well as interest rate reduction to 2.5% p.a. and qualified subordination of interest payments planned for both bonds**
- **Waiver of the repayment option in the event of a sale of the operating subsidiaries to ward off possible expropriation or a financing ban for foreign companies**
- **Invitation to noteholders' meetings on 9 and 10 May 2022 in Sinsheim published in the Federal Gazette and on the company's website**

Walldorf, 5 April 2022 – Ekosem-Agrar AG, the German holding company of Russian milk producer Ekoniva Group, has decided to propose to noteholders to extend each the bearer bonds 2012/2022 (ISIN: DE000A1R0RZ5) and the bearer bonds 2019/2024 (ISIN: DE000A2YNR08) by five years and to reduce the interest rate from 8.5% p.a. and 7.5% p.a. respectively, to 2.5% p.a. for both bonds (with retroactive effect from the respective last interest payment date). Repayment of the Ekosem-Agrar bond 2012/2022 and the Ekosem-Agrar bond 2019/2024 would then be due on 7 December 2027 and 1 August 2029, respectively. The noteholders will also be asked for a qualified subordination of the interest payments in order to avoid risks arising from the dynamically changing regulatory situation, but also from unpredictable economic developments. Moreover, the company will ask the noteholders to waive the repayment option in the event of a sale of the shares in the Russian operating companies (change of control). This is important because in the event of an imminent expropriation, a ban on financing or other potential restrictions for foreign companies, the company would be able to avoid a total loss of assets only by selling its shares to a company based in Russia. Such measures have already been discussed and enacted in Russia for certain cases. The company believes it is necessary to be prepared for such a case in the interest of its noteholders.

Wolfgang Bläsi, CFO of Ekosem-Agrar AG: “The political and economic developments in recent weeks, including the sanctions imposed against Russia and the Russian counter-sanctions, will have a massive impact on the Group's further financing options and costs. The



range and reliability of forecasts is extremely limited and we do not expect this to change much in the foreseeable future. We therefore have no choice but to extend the two bonds on modified terms in order to maintain our company's room for maneuver and to protect the noteholders as best as possible."

Stefan Dürr, Chairman of the Management Board and main shareholder of Ekosem-Agrar AG: "The current situation was impossible for us to foresee. For more than 20 years, our company has stood symbolically for successful German-Russian cooperation and for a fruitful dialogue and knowledge transfer between our countries. This makes us all the more concerned about the latest escalation in the Russia-Ukraine conflict and the suffering of millions of people associated with it. We hope for a quick peaceful resolution and a quick return to dialogue."

The Ekosem Group has grown profitably in recent years. It is the leading producer in the Russian raw milk market, an important manufacturer of dairy products and one of the world's top 3 raw milk producers. Financing via a total of three corporate bonds on the German capital market made an important contribution to this successful development. The first corporate bond 2012/2021 was repaid as planned at final maturity in March 2021. Refinancing of the bond 2012/2022, which is due in December 2022, was planned after completion of the 2020 financial statements in the course of the year. The management and its financial advisors believe that this will now no longer be possible. Due to the current political and economic uncertainty, the audit of the 2020 financial statements, which were finalized after the fundamental agreement with the main lending bank in Russia, cannot be completed for the time being. The company is in close contact with the auditor to complete the process as soon as allowed by the market situation.

The company would like to inform its noteholders about the background and the necessary adjustment of the terms and conditions of the two bonds and, for this reason and for the purpose of passing resolutions, invites them to a noteholders' meeting in Sinsheim on 9 May 2022 for the bearer bonds 2012/2022 (ISIN: DE000A1R0RZ5) and on 10 May 2022 for the bearer bonds 2019/2024 (ISIN: DE000A2YNR08).

The invitations for the respective bond, including the agenda and background information on the proposed resolution, were today published in the Federal Gazette and are available on the Ekosem-Agrar AG website together with the necessary forms for registration at <https://www.ekosem-agrar.de/en/investor-relations/>.

Invitation to the investor conference call (German language)

To explain the current situation and the proposed resolutions in more detail, the Management Board invites all noteholders to an investor conference call on Thursday, 7 April 2022, at 11:00 h (CEST). The Joint Representative of the 2019/2024 bond, e.Anleihe GmbH, with Managing Director Christoph Chardon, who was also proposed by the company as Joint Representative for the 2012/2022 bond, will also use the conference call as an opportunity to introduce itself to the noteholders.

To register for the conference call, interested noteholders should send an e-mail to ir@ekosem-agrar.de and are asked to prove their status as noteholders by means of a securities account statement.

The investor conference call will be held in German. Noteholders who do not speak German are invited to contact us directly via e-mail (ir@ekosem-agrar.de), if they have any questions.

About Ekosem-Agrar

Ekosem-Agrar AG, Walldorf, is the German holding company of the EkoNiva Group, one of the largest Russian agricultural companies. A herd of more than 216,000 cattle (thereof over 112,000 dairy cows) and a daily output of approx. 3,100 tons of raw milk make the company the largest milk producer in the country. The Group controls an agricultural land area of approx. 630,000 hectares and is also one of the leading Russian seed producers. The founder and CEO of the company is Stefan Dürr, who has been active in the Russian agricultural sector since the end of the 1980s and has been instrumental in modernizing the industry in the past three decades. In 2009, he was awarded the Order of Merit of the Federal Republic of Germany in recognition of his contributions to the German-Russian Dialogue on Agriculture. The Group employs some 12,000 people and has a presence in nine administrative areas in Russia. Ekosem-Agrar generated a total output of EUR 565 million and adjusted EBITDA of EUR 167 million in 2019.

Ekosem-Agrar contact

Irina Makey // Ekosem-Agrar AG // Johann-Jakob-Astor-Str. 49 // 69190 Walldorf // T: +49 (0) 6227 3585 919 // E: irina.makey@ekosem-agrar.de

Press / Investor Relations

Fabian Kirchmann, Anna-Lena Mayer // IR.on AG // T: +49 (0) 221 9140 970 // E: presse@ekosem-agrar.de