

## **Ekosem-Agrar AG plans to restructure its outstanding corporate bonds**

- **The geopolitical situation as well as legal and administrative regulations make it extremely difficult for the German parent company to cooperate with its operating subsidiaries in Russia**
- **Noteholders are invited to vote on the sale of the bonds at a price of EUR 300.00 per bond (more than 165% above the average prices in the first quarter 2024)**
- **Joint Representative and Noteholders' Advisory Committee welcome the measure in principle and announced to examine the concept in more detail**
- **Preliminary figures for 2023: Sales revenue between EUR 735 and 790 million and EBITDA between EUR 160 and 195 million; consolidated financial statements for 2022 will be published shortly**

Walldorf, 8 April 2024 - Ekosem-Agrar AG, the German holding company of Russian milk producer EkoNiva Group, plans to restructure its corporate bonds, the ESA bond 2012/2027 (ISIN: DE000A1R0RZ5 / WKN: A1R0RZ) and the ESA bond 2019/2029 (ISIN: DE000A2YNR08 / WKN: A2YNR0). The proposed measures essentially comprise the sale and transfer of the outstanding bonds including accrued interest at a purchase price of EUR 300.00 per bond with a nominal value of EUR 1,000.00.

Furthermore, the management plans to merge the German holding company with the operating business, which is based exclusively in Russia. To this end, it is planned to sell the shares held by German companies in the Russian intermediate holding companies to a Russian acquiring company. The current shareholders of Ekosem-Agrar AG will essentially hold the shares in the acquiring company. In this case, the company is asking the noteholders to waive the repayment option in the event of a change of control.

In addition, talks are currently being held with potential equity investors in Russia who intend to invest up to EUR 100 million in the acquiring company. All investors are making their investment subject to the above-mentioned restructuring of the bonds and the sale of the intermediate holding companies to a Russian company.

Ekosem-Agrar AG invites its noteholders to a noteholders' meeting on May 2, 2024 at 10:00 a.m. for the bearer bonds 2012/2027 (ISIN: DE000A1R0RZ5) and on May 2, 2024 at 2:00 p.m. for the bearer bonds 2019/2029 (ISIN: DE000A2YNR08) in Wiesloch to explain the background to the proposed measures and the adjustment of the respective bond terms and conditions and for the purpose of passing resolutions. The invitation is published in the Federal Gazette ("Bundesanzeiger") on 8 April and is available on the company's website, including the required registration documents and explanatory FAQs.

Stefan Dürr, CEO of Ekosem-Agrar AG: "We believe that the proposed sale of the bond is a good, albeit painful, opportunity for the noteholders in view of the general conditions. In our view, the proposed restructuring and the merger of the holding company with the operating subsidiaries in Russia, from where the Group is managed anyway, are the right steps to preserve our operating business and ensure the Group's continued existence. Our bonds have been an important financial pillar in building up our business since 2012, combined with an attractive return for our noteholders.

With political developments still uncertain, we believe a sale of the ESA bonds at a price of more than 165% above the average prices in the first quarter 2024 is an attractive offer for investors to recover at least parts of their original investment."

e.Anleihe GmbH, the Joint Representative appointed for both corporate bonds, as well as the Noteholders' Advisory Committee constituted in 2022, consisting of larger investors and a representative of Schutzgemeinschaft der Kapitalanleger e.V. (SdK), welcome the proposed measures in principle given the political situation and the development of stock market bond prices and have announced that they will examine the concept presented in more detail.

The Joint Representative and the SdK will shortly invite all interested noteholders to a webcast to explain their view on the proposed measures in more detail. The details of the webcast will be announced shortly by e.Anleihe GmbH and the SdK in a press release via [www.eqs-news.de](http://www.eqs-news.de).

**Preliminary figures for 2023 illustrate volatile development: sales revenue in euro down significantly due to currency effects and temporarily lower milk prices, EBITDA also well below previous year due to higher production costs**

Based on preliminary figures, Ekosem-Agrar generated sales revenues of between EUR 735 million and EUR 790 million in the financial year 2023. Despite a temporary sharp drop in milk prices, sales revenues in roubles remained largely stable; due to the weakening of the rouble, the decline in euro terms was between 18% and 24%. EBITDA is expected to be between EUR 160 million and EUR 195 million, which is also well below the previous year's level (in euros between 52% and 60%), primarily due to the significant increase in production costs. In a positive scenario, the management expects revenues and earnings to rise again in 2024, albeit "in euro" still below the level of 2022.

The audited consolidated financial statements for 2022 will be published shortly.

**About Ekosem-Agrar**

Ekosem-Agrar AG, Walldorf, is the German holding company of the Ekoniva Group, one of Russia's largest agricultural companies. With a herd of more than 235,000 cattle (including over 112,500 dairy cows) and a milk output of 3,440 tons of raw milk per day, the company is the country's largest milk producer. The group controls an agricultural area of around 630,000 hectares and is also one of Russia's leading seed producers. The founder and CEO of the company is Stefan Dürr, who has been active in Russian agriculture since the late 1980s and has played a decisive role in its modernization over the last three decades. He was awarded the Order of Merit of the Federal Republic of Germany in 2009 for his services to the German-Russian agricultural dialog. The Group has around 14,500 employees in nine administrative regions in Russia. Ekosem-Agrar generated total output of EUR 1,152.0 million and EBITDA of EUR 396 million in the financial year 2022.

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