

Ekotechnika GmbH decides cornerstones for financial restructuring

- Rouble exchange rate and interest rate trend as a result of sanctions and drop in oil price has significant negative consequences for the trading firm
- Corporate Bond to be exchanged for shares after Ekotechnika GmbH adopts the legal status of a joint stock company
- Subsequent cash capital increase to further strengthen the equity base
- Bondholders to vote between 30 March 2015 and 2 April 2015

Walldorf, 10 March 2015 – The Ekotechnika Group is responding to the significant deterioration in its financial position resulting from the massive depreciation of the Russian rouble and the strong increase in its financing costs. The main reason is the weakness of the Russian economy as a result of the sharp drop in the oil price and the sanctions imposed in the context of the Ukraine crisis. Against this background, the management of Ekotechnika GmbH today agreed on the following cornerstones of the company's financial restructuring with the consent of the shareholders' meeting:

As a first step, the company's share capital will be reduced from EUR 2,025,000 by EUR 1,944,000 to EUR 81,000 on a 25:1 basis by way of a simplified capital reduction.

Subsequently, the share capital will be increased from EUR 81,000 by EUR 1,539,000 to EUR 1,620,000 against a contribution in kind of the 9.75% bearer bond 2013/2018 (ISIN: DE000A1R1A18) in a total nominal amount of EUR 60 million ("Ekotechnika Bond") including accrued interest. According to the resolution proposal, the Ekotechnika Bond will be swapped against the right to acquire in total 1,539,000 new shares in a German stock corporation after the conversion of Ekotechnika GmbH. This means that each bondholder would receive 25.65 new shares in the German stock corporation for each note with a nominal amount of EUR 1,000. If bondholders do not exercise their right to acquire new shares, these shares are to be sold at the best possible conditions and the proceeds from the sale are to be paid out to the bondholders. After completion of this capital increase against contributions in kind, 95% of the company's registered share capital will be attributed to the bondholders of the Ekotechnika Bond.

Subsequently, it is planned to increase the company's share capital from EUR 1,620,000 by EUR 1,520,000 to EUR 3,140,000 against cash contribution, by way of which the current sole shareholder, Ekotechnika Holding GmbH, will provide the company with equity in the total amount of EUR 3,040,000. After the conversion of Ekotechnika GmbH into a German stock corporation and the completion of the capital increase against contributions in kind and the cash capital increase, the company's shares are to be traded in an open market segment of a German stock exchange. The proposed restructuring concept forms the basis for a restructuring report (IDW S6 report) commissioned by the company, which is being prepared by the auditors from PricewaterhouseCoopers.

Company founder and majority shareholder Stefan Dürr will return to the company's management in order to actively shape the restructuring of Ekotechnika GmbH together with CFO Wolfgang Bläsi. He was appointed with effect from 6 March 2015 and will replace former Managing Director Olga Ohly.

Additionally, it is proposed to appoint One Square Advisory Services GmbH, Munich, as joint representative for all bondholders of the Ekotechnika Bond.

The first bondholders' meeting will be held by way of a vote without meeting between 30 March 2015 and 2 April 2015. Should less than 50% of the nominal amount of the bond participate in the vote, the meeting will be inquorate. In this case, a second bondholders' meeting will be convened in the form of a physical meeting. The latter has quorum if at least 25% of the outstanding bond nominal amount attend or are represented at the meeting. If required, this second bondholders' meeting is scheduled for 6 May 2015.

The company will shortly announce further information for bondholders and publish it on its website under www.ekotechnika.de/de/anleihe/abstimmung-ohne-versammlung.html (in German only).

EKOTECHNIKA

About Ekotechnika

Walldorf-based Ekotechnika GmbH is the German holding company of the Ekoniva-Technika Group, the largest distributor of agriculture equipment in Russia. The company's single most important supplier is John Deere & Co., the world's leading manufacturer in this field. In addition, Ekotechnika sells equipment from another 11 market-leading manufacturers. Its main business is in selling new equipment such as tractors but also milking equipment and precision farming technology. In addition, the company sells spare parts and provides service and maintenance. Ekotechnika's founder and main shareholder is Stefan Dürr, who has been active in the Russian farming sector since the late eighties and has been instrumental in its modernisation over the past two decades. In 2011 the equipment business was separated from the farming business, which now operates independently under the name Ekosem-Agrar. Operating 12 locations in attractive Russian farming regions, Ekotechnika today employs around 625 people and generates sales of EUR 212 million in 2012/2013.

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