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Press release

**RAG-STIFTUNG LAUNCHES AN OFFERING OF NEW BONDS EXCHANGEABLE INTO SHARES OF EVONIK INDUSTRIES AG AND INVITES BONDHOLDERS TO SUBMIT OFFERS TO SELL ANY AND ALL OF THE EXCHANGEABLE BONDS DUE 2023 (ISIN: DE000A2BPE24) IN CIRCULATION AND UP TO €50M OF THE OUTSTANDING EXCHANGEABLE BONDS DUE 2026 (ISIN: DE000A3E44N7).**

**Essen, 9 November 2022.** RAG-Stiftung (the "**Issuer**") announces today the concurrent launch of the following transactions:

- The offering of new senior and unsecured bonds exchangeable into existing ordinary registered shares of Evonik Industries AG (the "**Shares**") in an aggregate principal amount of EUR 500 million, maturing on 16 November 2029 (the "**New Bonds**")
- The invitation to (i) holders of the outstanding non-interest bearing senior, unsecured exchangeable bonds due 2023 (ISIN: DE000A2BPE24) in an aggregate principal amount in circulation of EUR 490.5 million (the "**Outstanding 2023 Bonds**") and (ii) holders of the outstanding non-interest bearing senior, unsecured exchangeable bonds due 2026 (ISIN: DE000A3E44N7) in an outstanding aggregate principal amount of EUR 500 million (the "**Outstanding 2026 Bonds**" and together with the Outstanding 2023 Bonds, the "**Outstanding Bonds**"), to sell their Outstanding Bonds for cash up to the Target Amount (the "**Invitation to Sell**")

The Issuer plans to use the net proceeds of the offering of the New Bonds to finance the potential repurchase of Outstanding Bonds.

## **New Bonds**

The New Bonds will have a maturity of 7 years, an aggregate principal amount of EUR 500 million and will be exchangeable into cash, Shares or a combination thereof, at the option of the Issuer.

The New Bonds will bear interest at a rate of 1.375 - 1.875% per annum payable semi-annually in arrear on 16 May and 16 November in each year, commencing on 16 May 2023, and are expected to be issued at par. Unless previously exchanged, redeemed or purchased and cancelled, the Issuer will redeem the Bonds at par on 16 November 2029. Bondholders will have the right to require the Issuer to redeem the New Bonds at their principal amount plus accrued interest on 16 November 2027 (the "**Bondholder Put Date**"). Upon redemption at maturity or on the Bondholder Put Date, the Issuer may elect to settle all or part of the redemption value in Shares.

The initial exchange price for the New Bonds will be determined in the accelerated bookbuilding procedure at an exchange premium between 20.0% and 25.0% above the reference share price (being the volume-weighted average price of the Shares on XETRA on 9 November 2022).

The Issuer will have the option to redeem the New Bonds at their principal amount plus accrued interest in accordance with the terms and conditions of the New Bonds at any time (i) on or after 7 December 2027 if the price of the Shares is equal to or exceeds 130% of the then applicable exchange price over a certain period or (ii) in the case of an all cash offer for the underlying Shares during a certain period following the completion of such all-cash offer or (iii) if 15% or less of the aggregate principal amount of the New Bonds originally issued remains outstanding.

The final terms of the New Bonds are expected to be announced later today through a separate press release, and settlement is expected to take place on or around 16 November 2022.

In the context of the transaction, the Issuer has committed to a lock-up of 90 days in respect of the Shares, subject to customary exceptions.

It is intended that an application will be made for the New Bonds to be admitted to trading on the Open Market (*Freiverkehr*) segment of the Frankfurt Stock Exchange.

The New Bonds will be offered by way of an accelerated bookbuilding to institutional investors outside the United States of America (the "**United States**") in reliance on Regulation S (Category 1) under the United States 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 New Bonds would be prohibited by applicable law. In Canada, the offering will only be made to institutional investors who are both an accredited investor and a Canadian permitted client in Ontario, Québec, British Columbia or Alberta.

## **Invitation to Sell**

Concurrently with the New Bonds offering, the Issuer announces an invitation to holders of the Outstanding Bonds that are outside the United States and to whom the Invitation to Sell may otherwise be lawfully made (as further described below) (each an "**Eligible Holder**") to sell up to EUR 490.5 million in aggregate principal amount of their Outstanding 2023 Bonds and up to EUR 50 million of their Outstanding 2026 Bonds (the "**Target Amount**") for purchase at the Issuer's sole and absolute discretion for cash. The Issuer reserves the right, in its sole and absolute discretion, to purchase significantly less than or significantly more than (or none of)

the Target Amount, and reserves the right to accept significantly less or significantly more (or none) of one series as compared to the other series.

As at 5:30 p.m. CET on 8 November 2022, EUR 490.5 million in aggregate principal amount of the Outstanding 2023 Bonds remained in circulation and EUR 500 million in aggregate principal amount of the Outstanding 2026 Bonds remained outstanding.

The fixed purchase price per EUR 100,000 principal amount of the Outstanding 2023 Bonds will be EUR 100,000. The fixed purchase price per EUR 100,000 principal amount of the Outstanding 2026 Bonds will be no more than EUR 91,800.

In order to participate in the Invitation to Sell, Eligible Holders must submit their offer to sell in respect of the Outstanding Bonds prior to 5.30 p.m. (CET) on 9 November 2022.

Settlement of the Invitation to Sell is expected to occur on or around 16 November 2022.

The Issuer may, at its discretion, extend, re-open, amend, waive any condition of or terminate the Invitation to Sell at any time prior to announcement of the final aggregate principal amount of the Outstanding Bonds accepted for purchase in the Invitation to Sell (subject to applicable law). Details of any such extension, re-opening, amendment, waiver or termination will be announced as soon as reasonably practicable after the relevant decision is made.

The Invitation to Sell is not being made directly or indirectly, in or into the United States by use of the mails or by any means or instrumentality (including, without limitation, e-mail, facsimile transmission, telephone and the internet) of interstate or foreign commerce, or of any facility of a national securities exchange of the United States and the Invitation to Sell cannot be accepted by any such use, means, instrumentality or facility or from within the United States. The Invitation to Sell is not open to any persons located or resident in the United States, or persons acting for the account or benefit of any such persons, or in any other jurisdiction where the Invitation to Sell or any participation therein would be unlawful.

BNP PARIBAS, Goldman Sachs Bank Europe SE and UBS AG London Branch are acting as Joint Global Coordinators and Joint Bookrunners on the Offering of the New Bonds and as Joint Dealer Managers on the Invitation to Sell.

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This announcement does not contain or constitute or form part of, and should not be construed as, an offer or invitation to sell, or the solicitation of an offer to buy or subscribe for, any securities to any person in the United States, Australia, Japan or South Africa or in any jurisdiction to whom or in which such offer or solicitation is unlawful.

The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended or the laws of any state within the United States or under the applicable securities laws of Australia, Japan or South Africa, and may not be offered or sold in the United States, unless registered under the Securities Act or offered and sold in a transaction exempt from, or not subject to, the registration requirements of the Securities Act. Subject to certain exceptions, the securities referred to herein may not be offered or sold in Australia, Japan or South Africa or to, or for the account or benefit of, any national, resident or citizen of Australia, Japan or South Africa. There will be no public offer of the securities referred to herein in the United States, Australia, Japan or South Africa.

This announcement and the offer, when made, in member states of the European Economic Area or in the United Kingdom, are only addressed to and directed at persons who are "qualified investors" as defined in the Prospectus Regulation ("**Qualified Investors**"). For these purposes, the expression "Prospectus Regulation" means regulation (EU) 2017/1129 and Regulation (EU) 2017/1129 as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018, the "**EUWA**").

If located in a relevant member state, each person who initially acquires any securities, and to the extent applicable any funds on behalf of which such person acquires such securities that are located in a relevant member state, or to whom any offer of securities may be made will be deemed to have represented, acknowledged and agreed that it is a Qualified Investor as defined above.

The New 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 European Economic Area ("**EEA**") or the United Kingdom. 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 Directive 2014/65/EU ("**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 United Kingdom, a person who is one (or more) of (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) no 2017/565 as it forms part of United Kingdom 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 United Kingdom (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 United Kingdom 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 United Kingdom domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the New Bonds or otherwise making them available to retail investors in the EEA or the United Kingdom has been prepared and therefore offering or selling the New Bonds or otherwise making them available to any retail investor in the EEA or the United Kingdom may be unlawful under the EU PRIIPs Regulation and/or the UK PRIIPs Regulation. In the United Kingdom, this announcement is directed only at, Qualified Investors (i) who 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**"), (ii) who fall within Article 49(2)(a) to (d) of the Order, or (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.

This announcement may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking

terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect RAG-Stiftung's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to its business, results of operations, financial position, liquidity, prospects, growth or strategies. Forward-looking statements speak only as of the date they are made.

RAG-Stiftung and its affiliates expressly disclaim any obligation or undertaking to update, review or revise any forward looking statement contained in this announcement whether as a result of new information, future developments or otherwise.

No reliance may or should be placed by any person for any purposes whatsoever on the information contained in this announcement or on its completeness, accuracy or fairness. The information in this announcement is subject to change.

The date of admission of the New Bonds 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 RAG-Stiftung's intentions in relation to admission at this stage. Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing all of the amount invested. Persons considering making such investments should consult an authorised person specialising in advising on such investments. This announcement does not constitute a recommendation concerning the exchangeable bond offering. The value of shares can decrease as well as increase. Potential investors should consult a professional advisor as to the suitability of the exchangeable bonds offering for the person concerned.

#### **About the RAG-Stiftung**

The RAG-Stiftung is a private foundation that was established in 2007. At the beginning of 2019, the RAG-Stiftung took over the responsibility for financing the perpetual obligations of the German hard coal mining industry in the Ruhr and Saar regions and in Ibbenbüren. In addition, the RAG-Stiftung supports numerous projects in the areas of education, science and culture in order to promote progress in the former mining regions.

Further information on the RAG-Stiftung is available at: [www.rag-stiftung.de](http://www.rag-stiftung.de)