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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 OUTSTANDING EXCHANGEABLE BONDS DUE 2021 (ISIN: DE000A14J3R2)**

**Essen, 10 June 2020.** 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 in June 2026 (the "**New Bonds**")
- The invitation to holders of the outstanding non-interest bearing senior, unsecured exchangeable bonds due 2021 (ISIN: DE000A14J3R2) in an outstanding aggregate principal amount of EUR 450 million (the "**Outstanding Bonds**") to sell any and all Outstanding Bonds for cash (the "**Invitation to Sell**")

The Issuer will use the net proceeds of the offering of the New Bonds to finance the concurrent repurchase of Outstanding Bonds and to increase its existing financial assets in line with the Issuer's investment strategy.

## New Bonds

The New Bonds will have an aggregate principal amount of EUR 500 million and will be exchangeable into Shares.

The New Bonds will bear no interest and are expected to be issued at a price between 100.0% and 103.0% of their principal amount, implying a yield to maturity between minus 0.49% to 0.00% per annum. Unless previously exchanged, redeemed or purchased and cancelled, the New Bonds will be redeemed at par on the maturity date, which is expected to be on 17 June 2026.

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 Share on XETRA between launch and pricing on the launch date).

The Issuer will have the option to redeem the New Bonds at their principal amount in accordance with the terms and conditions of the New Bonds at any time (i) on or after 08 July 2024 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 17 June 2020.

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, South Africa, Japan 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 any and all of their Outstanding Bonds for purchase at the Issuer's sole and absolute discretion for cash.

As at 5:30 p.m. CEST on 9 June 2020, EUR 450 million of the initially issued EUR 500 million in aggregate principal amount of the Outstanding Bonds remained outstanding.

The fixed purchase price per EUR 100,000 principal amount of the Outstanding Bonds will be EUR 100,000.

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. (CEST) on 10 June 2020.

Settlement of the Invitation to Sell is expected to occur on or around 17 June 2020.

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.

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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, South Africa or Japan, 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, South Africa or Japan or to, or for the account or benefit of, any national, resident or citizen of Australia, South Africa or Japan. There will be no public offer of the securities referred to herein in the United States, Australia, South Africa or Japan.

This announcement and the offer, when made, in member states of the European Economic Area, 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.

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. For these purposes, a "Retail Investor" means 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") and (ii) a customer within the meaning of Directive 2002/92/EC ("IMD"), where that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MIFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the New Bonds or otherwise making them available to retail investors in the European Economic Area 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 European Economic Area or the United Kingdom may be unlawful under the 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 other than the United Kingdom, 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)