



# Depository Receipts Announcement

June 8, 2023

## Market Announcement for Depository Receipts

### Books Open for Cancellations on a Pro Rata Basis - Russia

Please note the books have reopened for cancellations for the following Russian DR programs on the basis set forth herein effective June 9, 2023. In accordance with Russian law, the Automatic Conversion and Forced Conversion processes (each as defined below) were implemented in respect of the DR programs without the involvement or oversight of the Depository and in a manner inconsistent with the deposit agreements for the DR programs. As a result, the Depository is unable to reconcile the DR programs and there is a shortfall in the number of shares held by the Depository for Holders under the DR programs. Accordingly, upon cancellation of its DRs, a cancelling Holder shall only receive its pro rata proportion of the shares actually available in the DR program, provided that, if the DR program is further reconciled to the satisfaction of the Depository, such Holder shall receive additional shares and/or cash-in-lieu of fractional shares.

Please be informed that, due to developments outside of the control of the Depository, it may be necessary for the Depository to close the books for cancellations for such DR programs again with little or no advanced notice. Further, although the Depository may seek to sell any shares not withdrawn from the DR programs and deliver the net proceeds of such sale to Holders on a *pro rata* basis, as a result of the operation of Russian law (i) there can be no guarantee that the Depository shall be able to sell any shares in a timely manner or at all, and (ii) in the event of any such sale, the sale price of the shares and the net proceeds that will be available for distribution to Holders after all expenses, taxes and other payments associated with the sale have been paid is likely to be substantially lower than the current market price of the shares. In particular, we understand that the Government Commission for Control over Foreign Investments in the Russian Federation would currently require that such shares be sold at a discount of at least 50 percent from their appraised market value. Accordingly, Holders wishing to cancel their DRs are strongly advised to arrange for the surrender of their DRs for cancellation as soon as possible. Each cancellation request will require the Certification and Instruction set forth below to be completed, signed and delivered to the Depository, including in order to ensure compliance with applicable Russian regulatory requirements. The Depository may require further certifications and/or agreements under the terms of the applicable deposit agreement and will need to screen the names included in the Certification and Instruction to ensure compliance with sanctions and other applicable laws and regulations, which may result in delays to the processing of cancellations. There can be no assurance that Holders will be able to cancel their DRs and receive shares before books for such DR program are once again closed for cancellation.

Security Description	DR ISIN	Security Type	Status
ACRON 144A	US00501T1007	GDR - 144A	Open for cancellations
ACRON REG S	US00501T2096	GDR - REG S	Open for cancellations
AEROFLOT RUSSIAN AIRLINES 144A	US69343R1014	GDR - 144A	Open for cancellations
AEROFLOT RUSSIAN AIRLINES REG S	US69343R2004	GDR - REG S	Open for cancellations
LSR GROUP 144A	US50218G1076	GDR - 144A	Open for cancellations
LSR GROUP REG S	US50218G2066	GDR - REG S	Open for cancellations
MECHEL PAO	US5838406081	ADR - LEVEL III	Open for cancellations
MECHEL PAO PREF	US5838405091	ADR - LEVEL III	Open for cancellations
MECHEL PAO REG S	US5838407071	GDR - REG S	Open for cancellations
NLMK 144A	US67011E1055	GDR - 144A	Open for cancellations
NLMK REG S	US67011E2046	GDR - REG S	Open for cancellations

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## Depository Receipts Trust and Agency Services

Certain of these securities may not have been registered under the US Securities Act of 1933 (the "Act") and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Act. The investment or investment service that is the subject of this announcement is not available to retail clients as defined by the UK Financial Conduct Authority. This announcement has been approved and/or communicated by Deutsche Bank AG London. The services described in this notice are provided by Deutsche Bank Trust Company Americas (Deutsche Bank) or by its subsidiaries and/or affiliates in accordance with appropriate local registration and regulation. Deutsche Bank as the Depository may use brokers, dealers or other service providers that are affiliates or other divisions of Deutsche Bank and that may earn fees and commissions. Deutsche Bank as the Depository may pay a rebate to brokers in connection with the issuance of unsponsored depository receipts. Deutsche Bank disclaims all responsibility regarding whether such broker discloses or passes all or a portion of such rebate to holders or beneficial owners of such depository receipts. The above information is being provided solely for informational purposes by Deutsche Bank. Deutsche Bank does not warrant or guarantee the accuracy or completeness of, and does not undertake an obligation to update or amend, this announcement. Neither this announcement nor the information contained herein constitutes an offer or solicitation by Deutsche Bank or any other issuer or entity for the purchase or sale of any securities nor does it constitute a solicitation to any person in any jurisdiction where solicitation would be unlawful. This material shall not be construed as investment or legal advice or a recommendation, reference or endorsement by Deutsche Bank. Deutsche Bank as the Depository provides no advice, recommendation or endorsement with respect to any company or security. No part of this announcement may be copied or reproduced in any way without the prior written consent of Deutsche Bank. Past results are not an indication of future performance. Copyright © Nov-22 Deutsche Bank AG. All rights reserved.

## Certification and Instruction

The following certification and instruction is being furnished to Deutsche Bank Trust Company Americas, as depositary (the “**Depositary**”), and AO Raiffeisenbank, as custodian (“**Custodian**”), as a condition to cancelling Depositary Receipts (DRs) representing shares of a Russian issuer in accordance with current Russian law.

Please note that, pursuant to Russian Federal Law No. 114-FZ dated April 16, 2022 (as amended) (the “**Law**”), as of April 27, 2022 (the “**Effective Date**”): (i) only those DR holders who held DRs as of the Effective Date will be entitled to convert them into ordinary shares of the relevant Russian issuer; and (ii) such outstanding DRs will not entitle the holder to voting or dividend rights.

We refer to a DR cancellation transaction with the following details:

1. Name of Russian issuer: \_\_\_\_\_
2. DR ISIN/CUSIP: \_\_\_\_\_
3. Number of DRs to be cancelled: \_\_\_\_\_
4. Name of receiving bank/broker in Russia: \_\_\_\_\_
5. Account number at receiving bank/broker in Russia: \_\_\_\_\_
6. Date: \_\_\_\_\_

Moreover, to enable you to carry out anti-money laundering and sanctions checks in connection, we refer to the following details of the beneficial owner of the DRs being presented for cancellation:

1. Full legal name of beneficial owner: \_\_\_\_\_
2. Postal address of beneficial owner: \_\_\_\_\_
3. Country of residence of beneficial owner: \_\_\_\_\_

We certify (or if we are acting for the account of another person, we certify that such person has confirmed to us that it certifies) the following:

- the information provided in this form is complete, true and correct;
- we are (or it is) the beneficial owner of the DRs being presented for cancellation and we were (or it was) the beneficial owner of such DRs on the Effective Date;
- we are (or it is) the beneficial owner of the account in Russia specified above into which the shares will be credited;
- we (or it) will be the beneficial owner of the shares credited upon withdrawal;
- there will be no change of beneficial ownership as a result of this cancellation;
- we are (or it is) not subject to, or the target of, any sanctions and we are (or it is) not controlled by or acting on behalf, or for the benefit, of any person that is subject to, or the target of, any sanctions; and
- the DRs submitted for voluntary cancellation hereby have not been exchanged for shares pursuant to the automatic conversion procedure (“**Automatic Conversion**”) or the forced conversion procedure (“**Forced Conversion**”), in each case, under the Law.

We acknowledge and agree that:

- the DR program under which the DRs are issued has been subject to the Automatic Conversion and the Forced Conversion;
- in accordance with the Law, the Automatic Conversion and the Forced Conversion were implemented in respect of the DR program without the involvement or oversight of the Depositary and in a manner inconsistent with the deposit agreement in respect of the DR program;
- as a result of the operation of the Automatic Conversion and the Forced Conversion, the Depositary is unable to reconcile the DR program and there is a shortfall in the number of shares of the Russian issuer held by the Depositary (in the name of the Custodian) for the DR holders compared to the number of shares represented by the DRs currently outstanding;
- accordingly, upon cancellation of our DRs in accordance with the instruction contained in this Certification and Instruction (the “**Cancelled DRs**”), **rather than receiving the number of shares in the Russian issuer represented by the Cancelled DRs under their contractual terms, we will only receive such number of shares multiplied by the Proration Factor<sup>1</sup> (such number of shares, the “Prorated Shares”)**, provided that, if the Depositary is subsequently able to completely reconcile the DR program to its satisfaction it shall deliver to us such number of

<sup>1</sup> The “Proration Factor” in respect of any DR program is (i) the amount of shares in the relevant Russian issuer held by the Depositary (in the name of the Custodian) as of June 8, 2023 *expressed as a percentage of* (ii) the total number of shares represented by the DRs then outstanding under the DR program as of June 8, 2023. The Depositary shall inform DR holders of the relevant Proration Factor for a DR program promptly upon request.

additional shares as may be necessary to ensure we have received in aggregate such number of shares represented by the Cancelled DRs under their contractual terms (the “**Additional Shares**”);

- in the event that the Depositary is subsequently able to further (but not completely) reconcile the DR program to its satisfaction, it shall deliver to us a portion of the Additional Shares and/or cash-in-lieu of fractional shares; and
- in opening the books for cancellation on the basis described above, the Depositary is acting in good faith to provide an equitable solution that it considers to be in the interests of all Holders given the continued adverse impact of Russian legislation on the integrity of, and the ability of the Depositary to exercise its rights and responsibilities under, the DR program.

We hereby irrevocably waive and release any claims we may otherwise have against the Depositary or any of its affiliates, representatives, agents, officers, directors or employees by reason of any action taken or omission by any of them in accordance with this Certification and Instruction, including, but not limited to, the delivery of the Prorated Shares (only) upon the cancellation of the Cancelled DRs and any non-delivery of any Additional Shares.

Please note that delays may arise in connection with this cancellation request until the Depositary’s internal procedures and controls are completed in order to comply with applicable laws, including sanctions. Notwithstanding any provision of the relevant deposit agreement to the contrary, the Depositary may refuse to process any DR cancellation request by any DR holder who did not beneficially own such DRs as of the Effective Date.

The undersigned at all times agrees to indemnify and hold harmless the Depositary and each of its affiliates, representatives, agents, officers, directors or employees and each of their successors and assigns against all losses, liabilities, reasonable expenses and/or damages of any kind whatsoever that may arise from (i) any action taken or omission by any of them in accordance with this Certification and Instruction, including, but not limited to, the delivery of the Prorated Shares (only) upon the cancellation of the Cancelled DRs and any non-delivery of any Additional Shares; and (ii) any breach by the undersigned of any of its certifications hereunder.

\_\_\_\_\_  
Print name of Certifying Entity/Person

Signed: \_\_\_\_\_  
Name:  
Title:

Acknowledged and agreed

\_\_\_\_\_  
Deutsche Bank Trust Company Americas

Signed: \_\_\_\_\_  
Name:  
Title: