

Meelis Milder comments about the disposal of AS Baltika's shares owned by OÜ BMIG

We founded OÜ BMIG in 2002 together with the Baltika's Management Board members at that time and some private investors. The purpose was to establish an investment company that would additionally consolidate the interest of Baltika's Management board members to contribute to Baltika's development (the vertically integrated business model and Monton brand was launched in 2002) and to raise additional funds needed for investment.

Over the years, OÜ BMIG has grown to be one of the largest shareholders of Baltika, using both equity and debt financing. The economic crisis that began in 2008 necessitated the restructuring of loans granted by AS Swedbank and required additional collaterals and personal guarantees to be provided to the bank. In addition to the 4.75 million AS Baltika shares owned by BMIG, the new loan agreement was secured by 1.23 million Baltika shares held personally by the owners of BMIG.

In August 2017, I signed an agreement with AS Swedbank to repurchase the loan agreement with OÜ BMIG from the bank. I will finance the repurchase of the loan agreement by selling all Baltika shares owned by OÜ BMIG and 99,967 shares owned by me personally to the major shareholders and by using my own funds. At the same time, through the completion of all transactions, I will acquire total ownership of BMIG OÜ and acquire the majority of Baltika shares held personally by other BMIG shareholders. After the completion of all abovementioned transactions, my personal share in AS Baltika will increase from 2.48% to 2.98% (and the interests controlled by me will increase from 3.06% to 3.52%), in September.

This transaction concludes the long and complicated loan agreement relationship between me, AS Swedbank and OÜ BMIG. I will continue as a CEO and important shareholder of AS Baltika.

Meelis Milder
Baltika's Chairman of the Management Board