PRESS RELEASE

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Don Agro International enters the healthcare industry through the proposed acquisition of a network of expert oncology clinics

Singapore, 14 September 2024 – Don Agro International Limited (the "**Company**" or "**Don Agro**") and its subsidiaries (collectively the "**Group**"), announced that its wholly-owned subsidiary, JSC Tetra ("**Tetra**"), had entered into the agreements in respect of the proposed acquisition of Eurooonco, a Russian network of private specialised oncological centres that provide a full range of cancer diagnostics and treatment according to modern world standards.

The aggregate consideration for the proposed acquisition is RR 3,035,000,000 (equivalent to approximately S$43.7 million[1]). Based on unaudited management accounts for the financial year ended 31 December 2023, Eurooonco generated profits before tax of approximately RR 497,626,000 (equivalent to approximately S$7.8 million[2]).

Companies operating under the Eurooonco brand, focus primarily on providing a full range of cancer diagnostics and treatment services, as well as palliative care. Eurooonco has expert oncology clinics and information and service centres in the largest cities in Russia. They include a round-the-clock hospital in Moscow with 42 beds, a full-fledged intensive care unit and two operating rooms in Moscow, a Saint Petersburg medical centre with the most modern methods of diagnosis and treatment of oncological diseases, a Krasnodar clinic which provides consultations and chemotherapy and an outpatient clinic in Nizhny Novgorod. All of the clinics use the latest original antitumor drugs with proven efficacy, with treatment being carried out in strict accordance with the latest versions of international protocols, and recommendations of the European Society for Medical Oncology (ESMO) and other reputable professional communities.

More than 18,000 primary patients from all over Russia and the Commonwealth of Independent States countries have choosen Eurooonco for the diagnosis and treatment of malignant tumours since 2021. Eurooonco as a part of a medical business has a preferential tax regime with a zero rate on profits and VAT.

[1] Based on the exchange rate of S$1.00 = RR 69.5015 as at 6 September 2024 as extracted from S&P Capital IQ.
[2] Based on the average exchange rate of S$1.00 = RR 63.6364 for the financial year ended 31 December 2023 as extracted from S&P Capital IQ.

The private healthcare market in the Commonwealth of Independent States ("**CIS**") countries, and particularly Russia, is developing dynamically. According to Federal State Statistics Service of Russia, the volume of services provided by private healthcare in Russia reached RR 1.36 trillion (equivalent to approximately S$19.51 billion[3]) in 2023, having increased by 11.2% over the year. State funding of medicine last year amounted to at least RR 3.96 trillion (equivalent to approximately S$56.98 billion).

"Euroonco is our first and surely not the last step to expand in the healthcare industry. We are actively exploring the possibilities of future acquisitions of assets operating in the same or related fields outside the CIS countries. Diagnostics and medical care for oncological patients, as well as healthcare in general, are not only fast-growing markets, but firstly vital industries for the society. According to the latest statistics, the increase in the spread of cancer primarily reflects the increased availability of diagnostics and the improved quality of it. For instance, in 2012, stage I and II cancer was detected in about 50.5% of cases whereas in 2021, it rose to 57.9%.

Nevertheless, we need to aim for a result of not less than 100% early detection of cancer so that we can increase the number of people cured of oncological diseases. Medicine has already made huge progress, and the word "cancer" still frightens us, but we know that there are ways to protect ourselves through regular check-ups and modern treatments increasing chances for survival. I sincerely believe, that there is much more to do for the development of the healthcare industry.

It has always been important for the Group that our business plays a social role and helps in the sustainable development of the society. Therefore, I firmly believe that the decision to reorient the Company to healthcare is the right direction for the benefit of people in general and our shareholders in particular", said Executive Chairman of the Group, Evgeny Tugolukov.

In 2023, RR 369.5 billion (equivalent to approximately S$5.32 billion) were allocated by the state for oncological medical care in inpatient and day hospitals within the framework of territorial and basic compulsory medical insurance programs, which is 13% higher than the 2022 level – RR 327.1 billion (equivalent to approximately S$4.71 billion), and two times higher than the 2019 level – RR 185.7 billion (equivalent to approximately S$2.67 billion).

In 2023, treatment for oncology patients in Russia was provided more than 3.78 million times (56.8% higher than the 2019 level — approximately 2.41 million cases of treatment, 4.7% higher than the 2022 level – approximately 3.61 million cases of treatment)[4].

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[3] Based on the average exchange rate of S$1.00 = RR 63.6364 for the financial year ended 31 December 2023 as extracted from S&P Capital IQ.
[4] Extracted from: information and analytical publication "Together Against Cancer" as extracted from the Preliminary Valuation Report (as defined herein).

As a reminder: On 21 June 2024, the Group's shareholders voted for the disposal of 99.99% of the shares in Don Agro LLC, Don Agrarian Group JSC, and Volgo-Agro LLC. In addition, the shareholders supported the disposal of 90% of the shares in Don Muchnov LLC, which the Group initially focused primarily in the sale of crop, milk and flour production businesses in Rostov and Volgograd regions.

The Board believes that the proposed acquisition is in the interests of the Group and that the healthcare business will provide the Company with the necessary recurrent business activities going forward.

Issued for and on behalf of Don Agro by Financial PR

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