



Press release

Financing closed for the construction of AS E-Piim Tootmine's state of the art dairy factory on 11 May with international group of banks.

A banking consortium consisting of the European Investment Bank, ING Bank and Estonian local LHV Pank granted loans totalling approximately EUR 113 M to Estonians largest dairy product manufacturing company AS E-Piim Tootmine for the financing of the construction of the dairy factory in the Baltic area. The new dairy factory will be located in Paide, central Estonia where it will further expand the company's existing production capacity. The commercial banks benefit from a portion of the guarantee cover from the Estonian (Kredex), Swedish (EKN) and Dutch (Atradius) export credit agencies. EIB loan is backed by the Investment Plan for Europe. Dentons with support of the Estonian law firm Cobalt acted as lenders' legal counsel. AS E-Piim Tootmine was supported by its legal counsel Eversheds Sutherland (UK, Estonia) and financial advisor The Count and Ashbridge.

AS E-Piim Tootmine, majority owned by the farmers' cooperative SCE E-Piim ($\pm 73\%$) and the Dutch joint venture owned by Royal A-Ware and Interfood Group, Meierei B.V. (24,99%), started construction of the new dairy factory in July 2021. The arranged financing will enable AS E-Piim Tootmine to finance the remaining construction works with start of operations expected by Q1 2024. AS E-Piim Tootmine will invest a total of EUR 41 M equity, of which EUR 15 M was provided by the Estonian Agricultural Registers and Information Board (ARIB) as part of a tender subsidy program for large investment projects.

The new dairy factory will add sufficient raw milk processing capacity in Estonia to process all Estonian raw milk locally and export high value-added dairy products such as Dutch cheese and Cheddar Cheese, cream and milk-based powders. The processing capacity of the new dairy factory will be up to 1150 MT of milk and 85 MT of whey concentrate per day (which is approximately four times the current factory capacity).

The investment will also support sustainable farming and assist in achieving the company's climate targets: zero net carbon emissions by 2040 and a reduction of net carbon emissions of 55% by 2030, including corresponding reductions of net carbon emissions by its milk suppliers. All of the thermal energy required at the plant will be produced from renewable energy sources and electricity use is planned to gradually switch to carbon neutral solutions in the future.

SCE E-Piim group is the first cross-border cooperative in Baltics and Eastern Europe which was formed in 2019 via merge of Estonian and Latvian dairy cooperatives. SCE E-Piim dairy group is owned by more than 150 Estonian and Latvian dairy farmers. Group is the largest producer of cheese and milk-based powders in Estonia. About 70 % of group's production is exported.

AS E-Piim Tootmine

SCE E-Piim

