



## ZaporizhCoke Share Issue Alert

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**Recommendation: Suspended**

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**ZaporizhCoke Schedules Oct. 18 Vote on Dilutive Merger.** We have obtained the notice published yesterday by ZaporizhCoke (**ZACO: Susp**), which announced that the company will hold an EGM on Oct. 18 to decide, among other things, a share swap with the private limited company TOV ZARS. (This corrects our Analyst's Notebook published last night, before we obtained a copy of the notice, which identified the company as TOV Zarf.) According to the notice, ZACO will merge with ZARS by swapping 1.1 bn newly issued ZACO shares, valued at par value of 1 kopeck per share for a total of UAH 11m, for 100% of ZARS's shares. The share issue would increase the total number of ZACO shares from 119.3m to 1219.3m, and thereby dilute the stakes of minority shareholders by 10.2 times. The notice was published yesterday in *Industrialnoye Zaporozhye*, a small local newspaper. We have located several Ukrainian companies named TOV ZARS, but it is not yet clear which if any of them are connected to this deal. We will keep you posted on further developments.

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