

Ekosem-Agrar reports leap in revenues for H1 2017

- Total output passes EUR 100 million mark (previous year: EUR 71.5 million)
- Sales revenues up by an impressive 62% on previous year
- Daily milk output reaches an average 742 t per day (previous year: 601 t)
- Earnings before interest and taxes (EBIT) at EUR 18.8 million (previous year: EUR 19.4 million)
- Forecast for full year confirmed

Waldorf, 29 September 2017 – Ekosem-Agrar GmbH, the German holding company of Russian milk producer Ekoniva Group, again increased its revenues significantly in the first half of 2017. The Group's revenues in euros amounted to EUR 77.8 million (+62%); in exchange rate adjusted terms, this represents an increase of close to 30%.

The positive trend is attributable to the growth of the Ekoniva Group, which benefited from government investment grants. The first six months of 2017 saw the dairy cow herd grow by approx. 22% to 33,400 animals. At the same time, the daily milk output was raised to an average of 742 tons. Sales revenues from milk production amounted to EUR 58.8 million (previous year: EUR 34.2 million), which represented roughly 76% of total sales revenues. The Group's crop farming operations also generated much higher revenues of EUR 11.3 million (previous year: EUR 6.9 million). Proceeds from the sale of fattening bulls and culled cows amounted to EUR 6.3 million (previous year: EUR 6.5 million).

In view of the good weather conditions to date, the company expects broadly good harvests in the key regions for its crop farming operations. While record results are projected for the wheat harvest, the cool summer was rather detrimental for heat-loving crops such as soy, sunflowers and maize, which is why harvest yields are likely to fall short of expectations. The management is nevertheless confident that the targets set for this business segment will be reached.

Total output (revenue plus changes in balances of fall-ploughed land as well of agricultural produce and biological assets and other operating income) for the first time passed the EUR 100 million mark in the first six months of 2017. At EUR 100.5 million, it was up by approx. 41% on the previous year's EUR 71.5 million. Although the cost of materials and personnel expenses increased sharply as a result of the investing activities, earnings before interest, taxes, depreciation and amortization (EBITDA) were up by approx. 11% on the previous year's EUR 27.8 million to EUR 30.8 million. This is equivalent to an EBITDA margin of 30.7%. Earnings before interest and taxes (EBIT) amounted to EUR 18.8 million (previous year: EUR 19.4 million), which translates into an EBIT margin of 18.7%. Earnings after taxes stood at EUR 1.7 million (previous year: EUR 4.9 million).

As a result of the company's growth and because of seasonal effects, total assets climbed to EUR 652.0 million as of 30 June 2017 (31 December 2016: EUR 615.1 million). Financial liabilities rose from EUR 399.3 million (31 December 2016) to EUR 423.3 million primarily as a result of investing activities. Equity declined moderately from EUR 115.8 million at the end of the past fiscal year to EUR 108.1 million on 30 June 2017. This is equivalent to an equity ratio of 16.6% (31 December 2016: 18.8%). The positive operating cash flow after interest

payments amounted to EUR 6.1 million in the reporting period (previous year: EUR 5.1 million).

On the financing side, the Ekosem-Agrar Group refinanced bank liabilities in the amount of approx. EUR 50 million in September 2017 at a slightly reduced interest rate. The Group's new lender is Alfa-Bank, one of the largest universal banks in Russia.

Stefan Dürr, main shareholder and Managing Director of Ekosem-Agrar GmbH: "We are very satisfied with the course of business in 2017 to date. Construction of our new dairy cow facilities is proceeding according to plan, so that we will be able to increase our dairy cow herd as planned to over 40,000 animals by the end of 2017. With Alfa-Bank as a new strong partner at our side, I believe the Group is well positioned for the future."

Ekosem-Agrar has confirmed its forecast for the full financial year 2017, according to which revenues will amount to between EUR 175 million and EUR 185 million, EBITDA to between EUR 65 million and EUR 75 million and EBIT to between EUR 45 million and EUR 50 million.

The interim report for 2017 will soon be available on the company's website at www.ekosem-agrar.de/en/investor-relations/financial-publications.html.

About Ekosem-Agrar

Ekosem-Agrar GmbH Walldorf, Germany is the German holding company in the Ekoniva Group, one of the largest Russian agricultural companies. With over 78,860 head of cattle (31.08.2017) (thereof approx. 34,430 dairy cows) and an average milk production of around 850 tonnes per day, the company is the largest milk producer in the country. The group has approx. 235,000 hectares of farmland and is also one of the leading seed producers in Russia. Stefan Duerr, founder and Managing Director of the company, has been active in Russian agriculture since the 80s and has played a decisive role in its modernisation over the past two decades. In 2009, he was awarded the German Federal Cross of Merit for his contribution within the German-Russian Agricultural and Political Dialogue Project. The corporate group has about 5,000 employees at seven locations in six regions in Russia and achieved a total output of EUR 149.2 million and an EBIT of EUR 31.9 million in fiscal year 2016. For further information visit: <http://www.ekosem-agrar.de/en>

Contact

Adrian Schairer // Ekosem-Agrar GmbH // T: +7 920 449 17 12 // E: adrian.schairer@ekosem-agrar.de

Irina Schwachhofer // Ekosem-Agrar GmbH // Johann-Jakob-Astor-Str. 49 // 69190 Walldorf // T: +49 (0) 6227 3585 919 // E: irina.schwachhofer@ekosem-agrar.de // www.ekosem-agrar.de

Media / Investor Relations

Fabian Kirchmann // IR.on AG // T: +49 (0) 221 9140 970 // E: presse@ekosem-agrar.de