

Ekosem-Agrar changes legal form into a stock corporation to increase flexibility in financing

Walldorf, 31 July 2018 – The shareholders of Ekosem-Agrar GmbH, the German holding company of Russian milk producer Ekoniva Group, have decided to change the legal form of the company into a German stock corporation (Aktiengesellschaft). The respective resolution was passed and submitted for entry in the commercial register today.

The change of legal form was resolved to increase the company's flexibility for future growth financing. In this context, the management has initiated among other financing options the preparation of an initial public offering. The decision on the choice and timing of financing alternatives depends on financial markets and industry developments, the respective conditions and strategic considerations.

With the change in legal form the respective executive and supervisory board of the newly formed Ekosem-Agrar AG have been constituted. The supervisory board consists of the four following members:

- Dr. Franz-Georg von Busse, Chief Representative of agricultural machinery group Gebrüder Pöttinger GmbH and former executive member in various international economic associations including the German Eastern Business Association
- Wolfgang Graf, former CFO and member of the board of the Ehrmann Dairy Group;
- Vladislav Novoselov, founder and managing partner of the Russian consulting firm BEFL, focused on advisory services in the farming sector
- Rolf Zürn, owner and managing director of Zürn GmbH & Co. KG, a distributor of John Deere machinery and Zürn Harvesting GmbH & Co. KG, a manufacturing company of agricultural machinery as well as a major shareholder of Ekosem-Agrar

For the management board the following members have been appointed:

- Stefan Dürr (CEO), founder and major shareholder of Ekosem-Agrar Group
- Wolfgang Bläsi (CFO), who has already acted as CFO of Ekosem-Agrar Group from 2011 to 2016

In terms of the operating business, Ekosem-Agrar has published 2017 annual results at the end of June, posting strong revenue and earnings growth. In the first half of FY 2018, the Group continued to expand its market leading position in raw milk production in Russia by increasing its dairy cow herd by 15% to 51,750 and its daily milk output by more than 25% to 1,365 tonnes. In addition, the company continues to optimise its own milk processing facilities and to set up sales and marketing activities to further increase its value added in the production of dairy products.

Full half-year financial statements of the Group will be published at the end of August 2018.

About Ekosem-Agrar

Ekosem-Agrar GmbH, Walldorf, Germany, is the German holding company of Ekoniva Group, one of the largest Russian agricultural companies. With around 110,000 head of cattle (thereof approx. 52,000 dairy cows) and an average milk production of 1,365 tonnes per day, the company is the largest milk producer in the country. The group has approx. 386,000 hectares of farmland and rates among 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 close to 9,000 employees in seven regions in Russia and achieved a total output of EUR 246 million and an adjusted EBITDA of EUR 69.5 million in fiscal year 2017. For further information visit: <http://www.ekosem-agrar.de/en>

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