

Ekosem-Agrar expands leading market position in first nine months of 2018

- **Total output up by an impressive 58% to EUR 253.2 million (previous year: EUR 160.7 million)**
- **Revenues climb 28% to EUR 160.1 million (previous year: EUR 125.2 million) although milk prices remain clearly below prior year level**
- **EBITDA of EUR 63.2 million (previous year: EUR 53.8 million) and operating result of EUR 33.9 million (previous year: EUR 35.7 million)**

Walldorf, 13 December 2018 – Ekosem-Agrar AG, the German holding company of Russian milk producer Ekoniva Group, continued its growth in the first nine months of 2018. In spite of a weaker ruble and challengingly low raw milk prices, which, at an average of approx. EUR 0.34, were below the prior year level (approx. EUR 0.44) primarily because of the increasing volume of undeclared products containing cheap palm oil, the company's revenues rose noticeably due to the expansion of milk production.

Total output (revenue plus changes in balances of fall-ploughed land, changes in balances of agricultural produce and biological assets as well as other operating income) climbed 58% to EUR 253.2 million (previous year: EUR 160.7 million) in the first nine months of 2018.

Revenues were up by 28% on the previous year's EUR 125.2 million to EUR 160.1 million. In spite of high start-up investments in milk processing and generally much higher personnel and materials expenses resulting from the company's operational growth, earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR 63.2 million, up by a good 17% on the previous year's EUR 53.8 million. The same effects sent earnings before interest and taxes (EBIT) falling by a moderate 5% to EUR 33.9 million. The EBITDA margin stood at approx. 25%, while the EBIT margin exceeded 13%.

The Group's total assets amounted to close to EUR 1.2 billion as at 30 September 2018 (31 December 2017: EUR 942.7 million). The increase is attributable to the additional dairy cow facilities built to increase the herd and to further expand the production of raw milk. As at the end of September 2018, the total herd comprised some 128,560 animals, an increase by 32%. The strong growth of the dairy cow herd by 27% to 57,060 animals also helped increase the daily milk output from 1,090 tons to 1,400 tons. More than 350,000 tons of raw milk were collected in the first nine months (full year 2017: 297,000 tons).

Stefan Dürr, main shareholder and CEO of Ekosem-Agrar AG: "Against the background of the weak raw milk prices, we are very satisfied with these results and the implementation of our growth plans this year. We have started to build 14 state-of-the-art dairy cow facilities in Voronezh, Novosibirsk, Kaluga, Ryazan and Orenburg. Some of these plants have already been completed and are gradually being taken into operation. We intend to build another 15 dairy cow facilities in 2019 on the condition that the government will continue to subsidize new dairy cow facilities. The market launch of our new umbrella brand "EkoNiva" at the end of November was a very special highlight of 2018. Customer response has been extremely positive, which is why we remain determined to continue expanding our own processing capacities."

The Management Board expects the dairy cow herd to increase to some 70,000 animals by the end of the year, with the raw milk output for the full year 2018 expected to reach close to 500,000 tons. The crop farming segment projects higher than targeted revenues for 2018. The company has already reached its objective to increase its farmland to clearly more than 400,000 hectares by the end of the year (30 September 2018: approx. 467,000 hectares).

About Ekosem-Agrar

Ekosem-Agrar AG, Walldorf, Germany, is the German holding company of Ekoniva Group, one of the largest Russian agricultural companies. With around 130,000 head of cattle (thereof approx. 57,000 dairy cows) and an average milk production of around 1,400 tonnes per day as at end of September 2018, the company is the largest milk producer in the country. The group has approx. 467,000 hectares of farmland and rates among the leading seed producers in Russia. Stefan Duerr, founder and CEO 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 more than 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>

Contact

Adrian Schairer // T: +49 (0) 6227 3585 936 // E: ir@ekosem-agrar.de

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

Media / Investor Relations

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