

Ekosem-Agrar again reports strong sales and earnings growth in 2018

- **Sales revenues increased to approx. EUR 240 million (+37%)**
- **Total output grows by 74% to approx. EUR 375 million**
- **EBITDA improve by 67% to approx. EUR 115 million**
- **Milk output rises by 62% to 484,000 tons**
- **Rough forage harvest doubled to over 1.4 million tons**
- **Expansion of milk processing and successful launch of the EkoNiva umbrella brand as milestones in 2018**
- **Growth to continue in 2019**

Walldorf, 4 June 2019 – Ekosem-Agrar, the German holding company of Russian milk producer Ekoniva Group, continued its dynamic growth in 2018. According to preliminary figures, the Group generated sales revenues of approx. EUR 240 million, an increase of about 37% compared to 2017. Total output (revenue plus changes in the balances of fall-ploughed land and of agricultural produce and biological assets as well as other operating income) adjusted for one-time so-called lucky buy effects from acquisitions (2018: approx. EUR 1.0 million, previous year: EUR 29.3 million) also rose significantly by more than 70% to approx. EUR 375 million (previous year: EUR 216.8 million). Adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) improved by about 65% to approx. EUR 115 million (previous year: EUR 69.5 million). This is equivalent to an EBITDA margin of 31%. Adjusted earnings before interest and taxes (EBIT) increased to approx. EUR 70 million, compared to EUR 44.5 million in the previous year, resulting in an EBIT margin of over 18%.

The continued good business performance – in spite of the extremely low raw milk price in 2018 – is based on the consistent expansion of the raw milk production in the past years, favored by the continued positive framework conditions for investments in the Russian milk sector. The total dairy cow herd grew by 42% in the course of the year to over 133,000 animals at the end of 2018 (previous year: 93,500 animals). The number of dairy cows rose by 40% from 45,100 to 63,100 animals on 31 December 2018. The Group's total raw milk output in the fiscal year 2018 amounted to 484,000 tons, up 62% on 2017 (approx. 297,000 tons). At the end of the year, the Group controlled an agricultural land area of approx. 504,000 hectares (+57%; previous year: 322,000 hectares).

Stefan Dürr, CEO of Ekosem-Agrar AG: "In 2018, we have set the strategic course for the future. We are consistently pursuing our strategy of vertical integration and are successively expanding our milk processing capacities. In addition, we have successfully launched our EkoNiva umbrella brand for dairy products and receive a lot of positive feedback on our high-quality products every day. This encourages us on our way of establishing EkoNiva as Russia's first integrated manufacturer of high-quality dairy products with nationwide coverage."

The fodder harvest in crop farming could be significantly increased compared to the previous year by considerably expanding the sowing area. Approx. 1.44 million tons of lucerne and corn silage were produced (2017: 700,240 tons). This ensures the feed supply of the herd beyond the coming harvest season.

Supported by the continued good growth conditions for milk production, Ekosem-Agrar AG will continue to expand its herd and its milk production, accompanied by the systematic expansion of milk processing. As of 30 April 2019, the company already controlled an agricultural land area of about 554,000 hectares. The total herd in milk production had grown to almost 149,000 cattle, thereof about 77,640 dairy cows with a daily output of 2,070 tons of raw milk. The price of raw milk has also recovered significantly in the current year.

By the end of 2019, the number of dairy cows in the herd will probably exceed 100,000, with an annual milk output of more than 800,000 tons. This growth is largely based on the investments already started in 2018.

About Ekosem-Agrar

Ekosem-Agrar AG, Walldorf, is the German holding company of the Ekoniva Group, one of the largest Russian agricultural companies. With a herd of almost 149,000 cattle in milk production (thereof about 77,640 dairy cows) and a milk output of approx. 2,070 tons of raw milk per day as of 30 April 2019, the company is the largest milk producer in the country. The Group controls an agricultural land area of more than 554,000 hectares and is also one of the leading Russian seed producers. 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 three decades. In 2009, he was awarded the Order of Merit of the Federal Republic of Germany in recognition of his contributions to the German-Russian Dialogue on Agriculture. The Group employs more than 12,000 people in eight regions in Russia. Ekosem-Agrar generated a total output of EUR 246 million and adjusted EBITDA of EUR 69.5 million in 2017. Further information is available at: 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

Press / Investor Relations

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