

Preliminary figures: Ekosem-Agrar AG increases 2019 sales revenues by over 60% to approx. EUR 400 million

- **Total output up by approx. 50% to more than EUR 560 million**
- **EBITDA increased to over EUR 160 million**
- **Daily milk output rose to over 2,400 tons by year-end 2019**

Walldorf, 4 May 2020 – Ekosem-Agrar AG, the German holding company of Russian milk producer EkoNiva Group, again achieved strong growth in total output, revenues and operating result in the fiscal year 2019. According to preliminary unaudited figures, the Group generated sales revenues of more than EUR 400 million in the past fiscal year, an increase by over 60% compared to 2018. 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) also rose noticeably by approx. 50% to over EUR 560 million (previous year: EUR 376.5 million). Earnings before interest, taxes, depreciation and amortization (EBITDA) improved by over 40% to more than EUR 160 million (previous year: EUR 116.1 million). This is equivalent to an EBITDA margin of about 30%.

The positive business trend is based on the ongoing expansion of the raw milk production segment in recent years, which accounts for just under two thirds of total earnings. The positive trend in the price of raw milk also supported the strong increase in the Group's earnings. Milk processing, the youngest business segment, contributed around 10% to total sales revenues. The focus in the segment was placed primarily on the development of "EkoNiva" the Group's proprietary umbrella brand for dairy products. Thanks to the solid crop yields in 2019, the feed supply of the company's own herd is secured until beyond the next harvest season. As of the balance sheet date, the company had a herd of around 97,640 dairy cows, which produce a daily output of 2,400 tons of raw milk. Including the young cattle, the total cattle herd increased to approx. 182,210 animals (2018: approx. 133,060). As of 31 December 2019, the company controlled an agricultural area of approx. 599,000 hectares, which represents an increase of 19% on the previous year (2018: 504,000 hectares).

Stefan Dürr, Chairman of the Management Board of Ekosem-Agrar AG: "We are very satisfied with the development in the past financial year. In our core business of raw milk production, we have further expanded our leading position in the Russian dairy market and are now among the world's top 5 producers. We have barely been affected by the coronavirus crisis to date, even though the consequences for the economy as a whole are serious. As a systemically relevant agricultural enterprise and important producer of food, our operations are not affected by closures to ensure the supply of food to the population. We very much hope that the measures of the government to stabilize the economy will help quickly and contribute to maintain the purchasing power of the population."

Ekosem-Agrar continued its growth in the first four months of 2020. As of 30 April 2020, the Group had a herd of 103,475 dairy cows. In the first four months of the current fiscal year, these produced 299,000 tons of raw milk, approx. 35% more than in the same period of the previous year (222,000 tons). During this period, the Group's raw milk price remained stable at an average of 40 euro cents, the same level as in the full year 2019 (2018: 35 euro cents). Significant progress was also made in the milk processing sector. Compared to the first quarter of 2019, the share of sales generated by products of the own brand "EkoNiva" in the

processing segment increased from 11% to 66% in first three months of 2020. The presence of own dairy products in major retail chains also increased, with the result that sales there more than quadrupled in the first quarter of the current year.

Holding company announces loss pursuant to section 92 AktG – Overall financing of the Group secured

In the course of preparing the annual financial statements, the Management Board of Ekosem-Agrar AG realized that the non-operating parent company Ekosem-Agrar AG had incurred a loss amounting to half of its registered share capital. The Management Board will therefore convene a Shareholders' Meeting in accordance with section 92 (1) of the German Stock Corporation Act (AktG) without undue delay in order to notify it accordingly. At around EUR 3.1 million, the equity of the holding company remained clearly positive as of the balance sheet date.

Wolfgang Bläsi, Chief Financial Officer of Ekosem-Agrar AG: "We have already initiated measures to improve the equity situation at the holding company. The notification of the loss is a formal act that has no impact on the Group's capitalization and the liquidity situation of the holding company. As in previous years, the liquidity of the holding company is ensured by the operating subsidiaries in Russia."

About Ekosem-Agrar

Ekosem-Agrar AG, Walldorf, is the German holding company of the EkoNiva Group, one of the largest Russian agricultural companies. A herd of approx. 190,000 cattle in milk production (thereof about 103,475 dairy cows) and a daily output of approx. 2,500 tons of raw milk make the company the largest milk producer in the country. The Group controls an agricultural land area of more than 600,000 hectares and is also one of the leading Russian seed producers. The founder and CEO of the company is Stefan Dürr, who has been active in the Russian agricultural sector since the end of the 1980s and has been instrumental in modernizing the industry in 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 roughly 14,000 people and has a presence in nine regions in Russia. In the fiscal year 2019, Ekosem-Agrar generated a total output of more than EUR 560 million and EBITDA in excess of EUR 160 million. Further information is available at: www.ekosem-agrar.de

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