

Ekosem-Agrar AG publishes operational information for the 2023 financial year

- **Positive development of main business segments**
- **Milk Processing segment with strongest growth**

Walldorf, 9 January 2024 – Ekosem-Agrar AG, the German holding company of Russian milk producer EkoNiva Group, has produced 1.26 million tons of raw milk in physical weight, exceeding the previous year's result by about 5% (2022: 1.19 million tons). Through increased raw milk production, the Ekosem-Agrar Group was only able to partially compensate for the temporary decline in milk prices during the course of the year. At the same time, increased costs for raw milk production were also recorded in the past year. During 2023, average milk yields at the group's facilities were 105,000 tons per month. The average daily milk yield for the reporting period reached 3,440 tons (2022: 3,261 tons).

In the reporting period, the average number of cattle in all Ekosem-Agrar Group farms totaled over 235,300 head (2022: 222,800 head; +5.6%), including more than 112,500 dairy cows (+1.1%) in the feedlot. In October 2023, the Group commissioned the Bortnikovo cattle breeding complex in the Stupino district of the Moscow region. The project is designed for 3,550 head of dairy herd and 5,100 head of young stock. Its production capacity is 34,000 tons of raw milk per year.

Processed dairy products increased by 70 % year-on-year

In January-December 2023, Ekosem-Agrar produced 279,500 tons of finished dairy products, up 70% year-on-year (2022: 164,000 tons). In particular, production of drinking milk and traditional dairy products (cream, kefir, sour cream, cottage cheese, butter, etc.) increased by 68% year-on-year to 265,000 tons (2022: 158,000 tons), yogurt and dessert group (including ice cream) by 41% to 6,200 tons (2022: 4,400 tons), cheese by 7 times, exceeding 8,300 tons (2022: 1,200 tons). The range of products under the EkoNiva brand at the end of 2023 included 88 product lines (2022: 79).

The increase in production volumes was due to improved operational efficiency of the group's enterprises, which allowed them to maximize their capacity utilization. Also in the first half of 2023, EkoNiva launched production of some types of semi-hard cheese at partner plants due to increased demand. This allowed the Group to utilize the full capacity of the Shchuchye cheese plant to produce premium hard cheeses under its own brand.

EkoNiva's dairy products are available in 70 regions of Russia. Here, the total number of outlets increased by more than 1.5 times over the year to 60,800 at the end of the reporting period (31.12.2022: 39,300). The Group's products are sold in most Russian chains, including Globus, Magnit, Lenta, Perekrestok, Pyaterochka, O'KEY, Auchan and METRO. Also in 2023, EkoNiva continued to expand its own retail network, opening more than 20 branded stores. As of the end of 2023, the group had a total of 76 own outlets under management.

In addition, the Group continued to produce products under the chains' trademarks (STM). Its share in the total turnover of EkoNiva Group remains at 25%.

Overall successful 2022/23 harvest season and start of sugar production

The Group assesses the 2022-2023 agricultural season as successful, despite the weather-related shift in harvest dates in the Voronezh and Ryazan regions. Overall the Group plans to harvest 1.33 million tons of market crops in net weight (2022: 1.18 million tons, +13%). This comprises 690,000 tons of cereals, 140,000 tons of pulses, 62,600 tons of oilseeds and 440,000 tons of sugar beet.

In the reporting period, the group increased the area planted with fodder crops compared to 2022: 985,000 tons of fodder in dry matter (DM) were harvested, compared to 831,000 tons a year earlier (+19%).

In September 2023, EkoNiva launched its own sugar refinery Belsakhar in the Kursk region. Currently, the plant continues to process sugar beet from its own harvest. In addition, the plant receives raw materials from other agricultural producers in the region.

About Ekosem-Agrar

Ekosem-Agrar AG, Walldorf, is the German holding company of the Ekoniva Group, one of Russia's largest agricultural companies. With a herd of more than 235,000 cattle (including over 112,500 dairy cows) and a milk output of 3,440 tons of raw milk per day, the company is the country's largest milk producer. The group controls an agricultural area of approximately 630,000 hectares and is also one of Russia's leading seed producers. The founder and CEO of the company is Stefan Dürr, who has been active in Russian agriculture since the late 1980s and has played a key role in its modernization over the past three decades. In 2009, he was awarded the Federal Cross of Merit for his services to the German-Russian agricultural dialogue. The group of companies has around 14,500 employees in nine administrative regions in Russia. Ekosem-Agrar generated a total output of EUR 657 million and EBITDA of EUR 188 million in fiscal 2021.

Ekosem-Agrar Contact

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