

Ekosem-Agrar AG: Successful business trend in the first half of 2020

- **Total output lifted to EUR 336.0 million (previous year: EUR 267.1 million; +26%)**
- **Sales revenues increased to EUR 209.0 million (previous year: EUR 156.8 million; +33%)**
- **Daily milk output increased to 2,567 tons (+7%)**
- **EBITDA up 50% to EUR 132.8 million (previous year: EUR 88.4 million)**
- **Net profit up 65% to EUR 38.3 million (previous year: EUR 23.2 million)**
- **Process for the development of a sustainability strategy initiated**

Walldorf, 25 September 2020 – Ekosem-Agrar AG, the German holding company of Russian milk producer EkoNiva Group, generated sales revenues of EUR 209.0 million in the first half of 2020, up 33% on the same period of the previous year (EUR 156.8 million). At about 456,000 tons, raw milk production was up 30% on the previous year's 352,000 tons. Sales of raw milk thus remain the most important sales driver at 73.5 % or EUR 153.6 million (previous year: EUR 111.5 million). Milk processing contributed EUR 20.1 million (previous year: EUR 17.6 million) or almost 10% to total sales revenues. Sales of agricultural products amounted to EUR 17.9 million (8.6%; previous year: EUR 13.8 million), and revenues from livestock and animal products reached EUR 13.1 million (6.3%; previous year: EUR 8.7 million).

In the first six months of 2020, the total herd in raw milk production grew slightly to almost 189,000 cattle (31 December 2019: approximately 182,200 cattle). The number of dairy cows increased by around 5% to 102,430 animals on the balance sheet date (31 December 2019: approximately 97,640 dairy cows). Daily milk output also rose by 7% to 2,567 tons as of 30 June 2020 (31 December 2019: 2,400 tons). The company expanded the area of land controlled by it from about 599,000 hectares to about 631,000 hectares in the reporting period.

Overall, 2020 is emerging to be a positive crop farming season. Especially the Kursk and Kaluga regions received sufficient precipitation and achieved good crop yields. The humid weather in the regions of Ryazan, Orenburg and Siberia ensured good harvest results, especially for wheat, and Siberia benefited from a warm spring, which meant that the growing season began earlier than normal. Prices for agricultural products also developed positively. For instance, good prices for grain and oilseeds were driven by low crop yields in some major exporting countries and strong demand from China. In addition, the weak ruble also had a positive effect on selling prices, as agricultural goods are traded in dollars and translated at the market rate.

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) increased by an impressive 26% to EUR 336.0 million in the first half of 2020 (previous year: EUR 267.1 million). Earnings before interest, taxes, depreciation and amortization (EBITDA) rose by 50% to EUR 132.8 million (previous year: EUR 88.4 million), with the EBITDA margin (EBITDA as a percentage of total output) thus standing at 39.5%. The operating result (EBIT) also improved significantly compared to the previous year (EUR 56.6 million) to EUR 89.2 million (+57%). The EBIT margin (EBIT as a percentage of total output) thus stood at 26.5%. Net

profit for the period rose by 65% to EUR 38.3 million in the reporting period (previous year: EUR 23.2 million).

At EUR 2.2 billion as of 30 June 2020, total assets were almost at the same level as at the end of 2019. Financial liabilities including leasing liabilities totaled EUR 1.2 billion (31 December 2019: EUR 1.2 billion). Equity amounted to EUR 310.7 million as at the balance sheet date (31 December 2019: EUR 316.5 million). This is equivalent to an equity ratio of 14.4% (31 December 2019: 14.4%).

Stefan Duerr, Chairman of the Management Board of Ekosem-Agrar AG: "All in all, we are very satisfied with our performance in the first six months of 2020. Against the background of major economic uncertainties in connection with the coronavirus pandemic, our company and our industry have demonstrated to be crisis-proof. Our expansion course remains intact, although we have slowed down the pace somewhat in recent months."

Against this background, the Management Board expects the dairy cow herd to increase to approximately 105,000 animals by the end of 2020. The volume of raw milk produced is expected to rise to between 900,000 tons and 940,000 tons, and the volume of raw milk processed into dairy products by the company itself is expected to amount to between 85,000 tons and 90,000 tons. Based on these operating figures, which are slightly below the original plan, the Management Board expects sales revenues in the amount of EUR 480 million to EUR 500 million, EBITDA of EUR 165 million to EUR 185 million and EBIT of EUR 85 million to EUR 105 million for the fiscal year 2020.

In August 2020, the company moreover reached a first milestone in the export of own dairy products with the start of sales of EkoNiva UHT milk in China. 22.5 tons of ultra-pasteurized milk were sold in three cities in the Heilongjiang province, which borders on Russia.

In addition, the Management Board has initiated the process for the development of a sustainability strategy. As Europe's largest raw milk producer, Ekosem-Agrar feels a responsibility to make an active contribution to developing standards for sustainable action in its core industry. The aim of the project is to define specific sustainability goals and measures, the implementation and progress of which is to be regularly and transparently reported going forward. The ultimate aim is also to consolidate the unmistakable brand image of the company's corporate and product brand EkoNiva as well as to further expand its good competitive position and address new investor groups with a focus on sustainable investments.

The interim report for 2020 is available on the company's website at <https://www.ekosem-agrar.de/en/investor-relations/>.

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 approximately 189,000 cattle in milk production (thereof about 102,430 dairy cows) and a daily output of approximately 2,570 tons of raw milk make the company the largest milk producer in the country. The Group controls an agricultural land area of more than 630,000 hectares and is also one of the leading Russian seed producers. The founder and CEO of the company is Stefan Duerr, 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 more than 14,000 people and has a presence in

nine regions in Russia. Ekosem-Agrar generated a total output of EUR 565 million and adjusted EBITDA of EUR 167 million in 2019. Further information is available at: www.ekosem-agrar.de

Ekosem-Agrar 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