

Ekosem-Agrar AG draws first positive review of 2020

- **Focus remains on expansion of milk processing**
- **Milk output increased by 22% to 925,000 tons**
- **Milk prices in rubles up by approx. 4% on previous year**
- **Crop farming activities differentiated but with positive result on balance**
- **Corona pandemic with little impact on business performance**
- **Issue of ruble bond planned on Moscow Stock Exchange**

Walldorf, 26 January 2021 – Ekosem-Agrar AG, the German holding company of Russian milk producer EkoNiva Group, has taken a first positive look back at 2020. The company's largest business area, dairy farming, was expanded as planned. The total number of modern dairy cow facilities in the nine regions increased by four to 41. The milk output for the year as a whole climbed 22% to 925,000 tons, which is equivalent to more than 900 liters of milk. The average daily raw milk output rose sharply, especially in the fourth quarter, from 2,500 tons as of 30 September to 2,900 tons at the end of the financial year. The number of dairy cows stood at almost 105,000 animals (+7%) at the end of 2020, making EkoNiva one of the world's top three milk producers.

So far, Ekosem-Agrar has hardly been affected by the restrictions imposed in the context of the coronavirus pandemic. As an important food producer, the company has been committed to securing the supply of the population. All plants therefore operated regularly last year, albeit with the necessary preventive measures. The milk price was not affected too much by the pandemic, either. Having declined temporarily during the first lockdown in April and May 2020, the price recovered and – on a ruble basis – closed the year up 4% at RUB 32 per kg. The price trend in euros was affected by the depreciation of the ruble, with the price standing at a solid EUR 0.35 per kg at the end of the year.

Ekosem-Agrar continues to expand its capacity in the milk processing segment, which represents a strategic focus of the company's activities. Last week, the Group's first own cheese factory in the Voronezh region started production with a daily processing capacity of 60 tons of raw milk. In total, the Group currently processes around 300 tons of its own milk per day. Construction of a large dairy in the Novosibirsk region with a processing capacity of 1,200 tons of raw milk per day is also making good progress. Production is expected to start at the end of the year. According to current plans, Ekosem-Agrar will process a good third of the internally produced raw milk by the end of 2022. The EkoNiva range now comprises almost 70 dairy products, which are available in more than 20,800 retail and food service outlets (2019: 3,600).

Last year's crop harvest in the crop farming segment was also good on balance. Here, the company again benefited from the regional diversification of its land, with losses attributable to the dry summer, e.g. in the Voronezh region, offset by very good yields in other regions, especially in Siberia. As of 31 December 2020, Ekosem-Agrar AG controlled an area of 630,000 hectares, of which about 50% is owned by the Group. Last year's fodder harvest of around 1.84 million tons means that the supply of the dairy cow herd is secured beyond the next harvest season. The price trend for food crops was very satisfactory in spite of the large quantities harvested.

Stefan Dürr, Chairman of the Management Board of Ekosem-Agrar AG: "We continue to make good progress on our way to becoming Russia's first fully integrated manufacturer of

dairy products with nationwide reach. This is not least due to the fact that the general conditions for the dairy industry in Russia remain very good. In spite of the government's subsidy measures, the import quota of milk products remains high. This opens up excellent medium-term growth prospects for our company, which is the largest milk producer in Russia."

Issue of ruble bond planned on Moscow Stock Exchange

As Ekosem-Agrar continues to diversify its funding base, the company intends to issue a corporate bond on the Moscow Stock Exchange in the first quarter, which will also serve to partially refinance the 2012/21 bond.

Wolfgang Bläsi, CFO of Ekosem-Agrar AG: "The gradual reduction in Russian interest rates and the growing interest in our company shown by institutional investors in the Russian capital market have prompted us to add another pillar to our funding structure and to use the proceeds to arrange part of the refinancing of the 2012/21 bond. With this step, we build on the positive capital market experience we have gained with our bonds in Germany over the past nine years. These bonds will remain an important part of our financing going forward."

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 more than 200,000 cattle (thereof about 104,700 dairy cows) and a daily output of 2,900 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 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 around 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.

Ekosem-Agrar has issued three corporate bonds in the German capital market: Bond 2012/2021 (ISIN: DE000A1MLSJ1), Bond 2012/2022 (ISIN: DE000A1R0RZ5) and Bond 2019/2024 (ISIN: DE000A2YNR08).

Further information is available at: www.ekosem-agrar.de

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