

Ekosem-Agrar concludes new contracts for the export of dairy products to China

Walldorf, 4 May 2021 – Ekosem-Agrar Group is expanding the export of its dairy products to neighboring China. Since the beginning of 2021, three containers with a total of around 70 tons of EkoNiva UHT milk have been shipped, which already corresponds to the total volume exported to China during the whole of the previous year. After the first deliveries attracted a high level of interest among Chinese consumers, more extensive contracts have now been concluded with Chinese wholesalers.

The first orders for UHT milk in the 3.2% and 3.5% fat grades that have now been confirmed comprise 13 containers with a total of approx. 295 tons, which are to be shipped to the ports of Dalian, Shanghai, Tianjin and Nansha by mid-May. The Ekosem-Agrar Group is thus expanding the presence of its products to the entire east coast of China. The first shipment of EkoNiva dairy products, which took place in August 2020, only reached several cities in northeast China.

The Chinese customers are both retail companies and customers from the food service industry. The conclusion of further contracts and the placement of additional orders are expected in the coming months.

While the Russian population currently comprises around 147 million people, China is home to around 1.4 billion people with continuously increasing purchasing power. At the same time, the natural resources for the production of agricultural commodities in China are comparatively small. While the ratio of agricultural land to population (in hectares per inhabitant) in Russia amounts to 0.85, China only has a ratio of 0.09. In addition, although the annual per capita consumption of milk in China has risen from 18 kg in 2007 to over 36 kg in 2018, this still only corresponds to one third of the global average and is thus also far from the nutritional recommendation of the Chinese authorities (109 kg of dairy products per year).

Stefan Dürr, Chairman of the Management Board of Ekosem-Agrar AG: We see a highly attractive, unsaturated sales market in a favorable location in our neighboring country of China and are very pleased that our EkoNiva dairy products are meeting with high demand there. For the near future, we expect to be able to increase our monthly deliveries to up to 50 containers with a total volume of more than 1,000 tons."

At present, EkoNiva UHT milk is still delivered exclusively by sea, as this is, among other factors, more cost-effective than the overland route. However, in order to be able to supply fresh dairy products to China in the future, preparations are currently being made to include rail freight transport, which would significantly reduce delivery times.

Further details on the operating performance in the fiscal year 2021 as well as the Annual Report 2020 will be published on 30 June 2021.

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 around 210,000 cattle (thereof more than 110,000 dairy cows) and a daily output of over 3,160 tons of raw milk make the company the largest milk producer in the country. The Group controls an agricultural land area of approx. 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 some 12,900 people and has a presence in nine administrative areas 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 two corporate bonds in the German capital market: Bond 2012/2022 (ISIN: DE000A1R0RZ5) and Bond 2019/2024 (ISIN: DE000A2YNR08).

Further information is available at: <https://www.ekosem-agrar.de/en/>

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