

Ekosem-Agrar AG: Main business segments show positive operating performance in H1 2022

- **Raw milk output reaches 582,140 tons in first six months (previous year: 558,180 tons)**
- **Mark of 100,000 tons of raw milk per month exceeded for first time in May**
- **Processing increased by 40% to 72,000 tons of finished dairy products (previous year: 51,330 tons)**
- **Crop farming segment successfully concludes spring sowing; good crop prospects**

Walldorf, 27 July 2022 – Ekosem-Agrar AG, the German holding company of Russian milk producer Ekoniva Group, again showed a positive operating performance in the first six months of 2022. The three main business segments – dairy farming, milk processing and crop farming – all look back on a good first half of 2022:

Ekosem-Agrar Group produced over 582,140 tons of raw milk, an increase of 4% on the prior year period (previous year: 558,180 tons). May was the first month to see the mark of 100,000 tons of raw milk per month exceeded. The average daily milk output in the first six months of 2022 amounted to approx. 3,220 tons, compared to 3,080 tons in the prior year period. In June, the mark of an average 3,300 tons per day was exceeded for the first time. The daily milk output per dairy cow rose from 27.7 kg in January 2022 to 30.3 kg in June 2022 and reached an average of 29.0 kg in the first half of 2022 (previous year: 28.3 kg). The increased raw milk output is thus attributable to the higher milk output per animal as well as to the general growth of the herd. The total herd used for raw milk production was expanded to 219,400 cattle (previous year: 208,400 cattle). The number of dairy cows reached approx. 110,800 (previous year: 108,600 dairy cows).

The Group also achieved further growth in milk processing and produced over 72,000 tons of finished dairy products in the first six months of 2022, up by 40% on the same period of the previous year (51,330 tons). At 40%, the increase in the production of fresh milk and traditional dairy products (cream, kefir, sour cream, curd, butter, etc.) was particularly strong, with total output reaching 69,600 tons, while yoghurt and dessert products (including ice-cream) rose by 22% to approx. 1,840 tons. Cheese production increased elevenfold to 600 tons. This positive development was supported by an increase in the number of outlets as well

as by the expansion into further regions. In the first half of 2022, the availability of EkoNiva products was extended to Belgorod, Volgograd, Rostov, Samara, Krasnodor and Adygea as well as Kazakhstan. In addition, Ekosem-Agrar continues to cooperate actively with companies from the hospitality segment.

By the end of June, the Group processed up to 600 tons of raw milk per day, compared to approx. 400 tons in the previous year. At the same time, the milk processing segment generated its first operating profit on the basis of preliminary figures in May and June 2022—despite the high costs incurred for the launch of the EkoNiva umbrella brand in 2018 and of the Dürr sub-brand in 2021 – as production capacity was almost fully utilized.

Stefan Dürr, Chairman of the Management Board and main shareholder of Ekosem-Agrar AG: “We are more than satisfied with the operating performance in the dairy farming and milk processing segments, not least against the background of the continuing imponderables arising due to the macroeconomic situation. We were able to further expand our business activity in these segments in the first half of 2022 and expect a very good harvest in all our regions also for the crop farming segment, which will secure the future supply of our herd.”

Ekosem-Agrar’s crop farming segment successfully completed spring sowing in early June. The fodder harvest, which started in May, has recorded a yield of 291,000 tons of dry matter feed to date, which is well above expectations. Given that crop prospects are good in all regions in which the company operates, management projects a harvest of at least 931,000 tons of fodder for the 2022 season. Thanks to long-term contracts with buyers of grain and grain legumes, Ekosem-Agrar is largely protected against fluctuations in the agricultural commodity markets.

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 almost 220,000 cattle (thereof over 110,000 dairy cows) and a daily output of approx. 3,200 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 12,000 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 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, Anna-Lena Mayer // IR.on AG // T: +49 (0) 221 9140 970 // E: presse@ekosem-agrar.de