

Ekosem-Agrar AG: Positive operating performance continues in the first nine months of 2022

- **Raw milk output increases by 5.7% to 888,000 tons**
- **Dairy Processing achieves particularly strong growth of 39% with 112,900 tons of finished dairy products**
- **Yields for the 2022 harvest season expected to be significantly better than in the previous year**

Walldorf, 13 October 2022 - Ekosem-Agrar AG, the German holding company of Russian milk producer EkoNiva group, has reported positive development in its main business areas in the first nine months of 2022. From January to September of the current year, Ekosem-Agrar Group produced over 888,000 tons of raw milk – a growth of 5.7% compared to the same period last year. The average daily milk output was over 3,250 tons (previous year: 3,077 tons). The increase in raw milk output was mainly driven by the daily output per dairy cow, which rose to 29.4 kg from 28.1 kg in the previous year. The total herd used for raw milk production was expanded to 221,000 cattle in the first nine months of 2022, more than half of which were dairy cows (previous year: 210,610 cattle and 109,440 dairy cows).

The Group achieved by far the greatest growth in milk processing, which rose by 39% year-on-year to 112,900 tons of finished dairy products. Production of fresh milk and traditional dairy products grew by 39% to over 109,100 tons, while yoghurt and dessert products (including ice-cream) increased by 27% to almost 3,000 tons. Cheese production increased 7-fold to 850 tons. The main reason for the positive result in milk processing was the expansion of the product range and sales outlets. The company also commissioned a new production line at the Anna dairy with a capacity of ten tons of curd per day.

In the crop farming segment, the company has almost completed the harvest of wheat and barley by the end of the third quarter. The fodder harvest also progressed well with 70% of the area harvested. Here, the company expects a yield of at least 930,000 tons of dry matter feed for 2022 (previous year: 800,000 tons). This will fully cover the growing livestock's need for sude and succulent feed. Overall, the harvest yield so far is higher than planned, Ekosem-Agrar AG therefore expects significantly higher yields in the 2022 harvest season than in the rather weak previous year. This reflects the Russia-wide development in the agricultural sector. The company is currently in winter sowing for the 2023 harvest.

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 220,000 cattle (including over 110,000 dairy cows) and a milk output of more than 3,300 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 13,000 employees in nine administrative regions in Russia. Ekosem-Agrar generated operating revenue of EUR 565 million and adjusted EBITDA of EUR 167 million in fiscal 2019.

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