EKOTECHNIKA

CORPORATE NEWS

Ekotechnika AG launches Smart Farming segment

- **Dynamic growth and state subsidies in Russia**
- **First field tests successful**
- **Further tests planned on some 30,000 hectares**
- **Market launch planned for 2020**

Walldorf, 30 October 2018 – Ekotechnika AG (Primary Market; ISIN: DE000A161234), the German holding company of the EkoNiva-Technika Group, the largest dealer of international agricultural machinery in Russia, is building up a new business segment. The Smart Farming segment will further improve customer retention and make the company fit for the digital future. Following highly successful field tests conducted in cooperation with John Deere, Ekotechnika will not only sell its customers agricultural machinery and spare parts but also offer them advice, training and services related to Smart Farming.

With an annual global growth rate of 12%, the market for the digitization of agriculture is currently growing very dynamically. The investment bank Goldman Sachs expects this market to be worth some USD 240 billion by 2050. Russia is playing a particularly important role in this context. The fields in the world's largest territorial state are huge and offer considerable potential for efficiency increases and cost savings. German Trade and Invest (GTAI) estimates that the market for digital technologies in the Russian farming sector may increase fivefold to roughly EUR 25 billion by 2026. To support digitization in Russia, the Russian government will additionally launch the "Digitization of Agriculture" program to support the use of IT solutions on Russian fields starting 2019.

Ekotechnika AG wants to seize this opportunity and has therefore teamed up with John Deere to launch the "Lead Farms" project in the Voronezh region in the 2017/2018 season. In the context of the project, the latest Smart Farming technologies were tested on a total area of close to 1,000 hectares under real-life conditions. Variable sowing and fertilizing processes were used on several fields, adjusted to the specific soil type, for winter wheat, maize and soy beans – and the results are very promising. Where winter wheat is concerned, for instance, less fertilizer than the conventional standard amount was used for the same yield. Positive results have also been achieved for maize.

"So far, the only possibility farmers had to increase the area worked per hour and, hence, their productivity, has been to use larger and more modern machines," said Bjoerne Drechsler,

member of the Executive Board of Ekotechnika AG. “Smart Farming technologies now allow us to improve both the quality of the harvest and the yield per hectare, while at the same time cutting costs significantly.”

In the next season, it is planned to expand the tests conducted in the context of the “Lead Farms” project to an area of roughly 30,000 hectares and to improve the data capture and quality. State-of-the-art technologies such as N-sensors, drones, yield maps, satellites and soil scanners allow the soil to be analyzed in detail and to adapt both the sowing and the fertilization to the specific type of soil. This would give Ekotechnika and John Deere the most comprehensive results ever generated with the help of smart technologies.

“As soon as we have analyzed the results and optimized the use of the technologies, we want our customers to benefit from the advantages of Smart Farming as quickly as possible. We therefore plan to offer them an attractive package of Smart Farming services as early as 2020. This will allow farmers to profit from our expertise and our technologies and to achieve significant savings at relatively low cost for our services,” Bjoerne Drechsler added.

For more information on Smart Farming, visit our company’s website at https://www.ekotechnika.de/en/business-segments/smart-farming.html.

About Ekotechnika
Walldorf-based Ekotechnika AG is the German holding company of the Ekoniva-Technika Group, the largest distributor of agriculture equipment in Russia. The company’s single most important supplier is John Deere, the world’s leading manufacturer in this field. Ekotechnika’s main business lies in selling new equipment such as tractors and combines but also soil tillage machines and precision farming technology. In addition, the company sells spare parts and provides service and maintenance. Ekotechnika’s founder and board member is Stefan Dürr, who has been active in the Russian farming sector since the late eighties and has been instrumental in its modernization over the past two decades. In 2011 the equipment business was separated from the farming business, which now operates independently under the name Ekosem-Agrar. Operating 12 locations in attractive Russian farming regions, Ekotechnika today employs around 500 people and generated sales of more than EUR 140 million in 2016/2017. The Ekotechika stock is listed on the Primärmarkt of the Düsseldorf stock market (ISIN: DE000A161234).

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