

Ekotechnika AG reports positive performance in current financial year

- **Nine-month sales revenues and EBIT clearly up on prior year figures**
- **Agricultural sector emerging as important growth driver in Russia**
- **Investment freeze is thawing; tractor and combine harvesters sales picking up**
- **Working towards exclusive branding deal with John Deere („Green-on-Green“)**

Walldorf, 29 September 2016 – The Executive Board of Ekotechnika AG (primary market; ISIN: DE000A161234), the German holding company of the EkoNiva Group, the largest dealer of international agricultural machinery in Russia, envisages continued stabilisation in the company's business performance and expects to report a clearly positive operating result (EBIT) on the back of solid sales revenues in the current financial year 2015/16 (30 September).

Preliminary figures show Group sales revenues at the nine months stage at approximately EUR 87 million, up by 13% on the prior-year period. The increase was even higher, namely +38%, in exchange rate-adjusted terms, i.e. based on the average rouble exchange rate of the prior year period. The Group is also reporting a clearly improved operating result, with EBIT rising to approximately EUR 6.7 million (previous year: EUR 1.9 million). Sales and profit growth was driven by the strong performance of the Russian agricultural sector, buoyed by an exceptionally good harvest as well as government subsidies for the sector which have enabled farmers to invest in machinery again. Tractor sales at EkoNiva Group are up by approximately one third on the figure for the previous year's period. The situation is similar on the combine harvesters side where sales are up by a good two thirds on the prior year figure.

Says Stefan Dürr, CEO of Ekotechnika AG: "We are satisfied with the present results for the current financial year. It seems that the freeze on capital spending in the agricultural sector is slowly thawing and that the sector has emerged from the trough marked in the crisis year 2014/15. However, the high cost of financing in Russia remains a drag on our business because it makes state-subsidised equipment from local manufacturers more attractive to farmers. International manufacturers consequently continue to increase their vertical integration in Russia. This trend is exemplified by our most important partner, John Deere, who is one of a small number of western manufacturers to be categorised as a "Russian manufacturer" with

respect to their sowing and tilling machines made in Orenburg. Which is all the more reason for us to further expand our cooperation with John Deere going forward.”

“Green on Green” – partnership with John Deere to be intensified

In view of the long-standing and trustful cooperation with John Deere, the management of the EkoNiva Group plans to upgrade this partnership from 2017 by switching all locations to exclusive brand status and expanding the product range of the “green agricultural machines”. The objective is to channel demand for ever more complex and networked agri-machinery solutions through close collaboration between manufacturer and dealer and with a clear focus on the target market.

Says Stefan Dürr: “At John Deere, dealers are far more than mere sales outlets. They are important partners in growing the brand and product portfolio in Russia, where John Deere is the only full-line manufacturer offering a complete line-up of agricultural equipment for professional farming. We want to strengthen this partnership with John Deere and pool our resources, thereby joining our two brands for shared success.”

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 & Co., the world's leading manufacturer in this field. In addition, Ekotechnika sells equipment from another 11 market-leading manufacturers. Its main business is in selling new equipment such as tractors but also milking equipment 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 modernisation 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 520 people and generates sales of EUR 109 million in 2014/2015. The Ekotechnika stock is listed on the Primärmarkt of the Düsseldorf stock market (ISIN: DE000A161234).

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