

Ekotechnika AG reports growing revenues for FY 2017/18

- **Group sales revenues of EUR 163.7 million (previous year: EUR 148.1 million)**
- **New machinery sales up by 18% on previous year**
- **EBIT of EUR 9.4 million (previous year: EUR 11.6 million)**
- **Smart farming partnership with John Deere to be expanded further**

Walldorf, 31 January 2019 – Ekotechnika AG (Primary Market; ISIN: DE000A161234), the German holding company of the EkoNiva-Technika Group, the largest dealer of international agricultural machinery in Russia, continued to grow its Group sales revenues in FY 2017/18 (30 September) and generated EUR 163.7 million – up 10% on the previous year's EUR 148.1 million.

Both revenues and earnings were influenced by the volatile ruble, which, at an average of RUB/EUR 72.15, was much weaker in the reporting period than in the previous year (RUB/EUR 65.74) and led to negative exchange rate effects. Adjusted for these effects, i.e. on the basis of the average ruble exchange rate of the previous year, the Group's revenues increased by 21%.

Revenue growth was again mainly driven by sales of new agricultural machinery. Whereas sales of new machines declined in the first six months of 2017/18 due to the late onset of spring, they improved noticeably in the second half of the year. Sales of tractors climbed from 241 to 283, while sales of combines and forage harvesters picked up from 58 to 70. Total revenues in the new machinery segment, which account for close to 70% of the company's total revenues, increased from EUR 96.2 million to EUR 113.7 million (+18%). While sales of spare parts declined by a moderate 9% from EUR 42.7 million to EUR 39.1 million (were stable in exchange rate adjusted terms), both the services segment and the relatively new smart farming segment increased their revenues significantly from EUR 3.0 million to EUR 3.4 million (+14%) and from EUR 0.6 million to EUR 0.9 million (+64%), respectively.

The operating result (EBIT) amounted to EUR 9.4 million in the reporting period and was thus below the previous year's level of EUR 11.6 million. This resulted from the volatility of the ruble and the associated negative currency differences (2.2 million euros). Consolidated income for the year amounted to EUR 4.8 million (previous year: EUR 8.6 million). In addition to currency effects, a normalized tax rate compared with the previous year had an impact here. The Group's equity capital totaled EUR 24.3 million on 30 September 2018 (30 September 2017: EUR 21.0

million); with total assets amounting to EUR 108.2 million (30 September 2017: EUR 83.8 million), this is equivalent to an equity ratio of 22.5% (30 September 2017: 25.1%).

Stefan Dürr, Chairman of the Executive Board of Ekotechnika AG: "In view of the adverse weather conditions, especially in the first half of the year, and the weaker ruble, we are very satisfied with our performance in the past fiscal year. The upward trend in grain prices and major contracts signed with key accounts had a particularly positive effect. In the current financial year we expect the economic and political situation to stabilize, but we maintain our conservative planning approach, especially due to our dependence on a small number of key customers."

For the 2018/19 fiscal year, the Executive Board projects stable consolidated revenues of between EUR 153 million and EUR 164 million as well as earnings before interest and taxes (EBIT) of between around EUR 7 million and EUR 9 million.

Bjoerne Drechsler, member of the Executive Board of Ekotechnika AG: "Besides expanding our existing operations, the current fiscal year will see us place a special focus on the strategic development of the smart farming segment, where we have set ourselves ambitious objectives in the 'Lead Farms' project together with our partner John Deere. Moreover, we will gradually build up the forestry segment with our new partner Tigercat Industries."

The full 2017/18 consolidated financial statements are available on the website of Ekotechnika AG at www.ekotechnika.de/en/investor-relations.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 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 chairman of the Executive Board 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 540 people and generated sales of around EUR 164 million in 2017/2018. The Ekotechnika stock is listed on the Primärmarkt of the Düsseldorf stock market (ISIN: DE000A161234).

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