

### **Ekotechnika AG: Sales revenues rise noticeably due to new sales territories in H1 2019/2020**

- **Group revenues up by a strong 44% to EUR 74.8 million**
- **Gross profit rises by 43% to EUR 14.3 million**
- **Operating result (EBIT) at EUR -3.6 million due to unrealized currency effects**
- **First sales of forestry machines and progress in Smart Farming**

Walldorf, 26 June 2020 – Ekotechnika AG (Primary Market; ISIN: DE000A161234), the German holding company of the largest dealer of international agricultural machinery in Russia, increased its consolidated revenues by a strong 44% from EUR 51.9 million to EUR 74.8 million in the first six months of the financial year 2019/2020 (30 September). The strong revenue growth is mainly due to the expansion of the John Deere sales territories in Russia, which Ekotechnika took over on 1 November 2019.

The expanded sales activities had a significant impact on new machinery sales, with revenues in this segment climbing from EUR 30.4 million in the prior year period to EUR 46.7 million in H1 2019/2020. A total of 114 tractors and three combines were sold in this seasonally weaker period (previous year: 65 tractors, six combines). Sales of spare parts amounted to EUR 19.2 million, up 13% on the same period of the previous year (EUR 17.0 million). Revenues in the Service segment increased by 25% to EUR 1.8 million (previous year: EUR 1.5 million), while the Smart Farming segment, which is still being built up, grew by 66% to EUR 246 thousand (previous year: EUR 148 thousand). Initial revenues were also generated in the new Forestry Machinery segment, which sold machines worth EUR 1.7 million and spare parts worth EUR 369 thousand.

Gross profit also rose by a strong 43% to EUR 14.3 million in the first half of 2019/2020. Earnings before interest and taxes (EBIT) for the period under review stood at EUR -3.6 million (previous year: EUR 1.8 million). The result for the period was EUR -5.2 million (previous year: EUR 563 thousand). This noticeable decline in earnings is exclusively due to unrealized exchange rate effects amounting to EUR 7.3 million as of the reporting date. These were due to a temporary depreciation of the ruble and the resulting valuation of outstanding liabilities on the balance sheet date. The ruble fell from RUB 70.72/EUR at the beginning of the financial year in early October to RUB 85.74/EUR at the end of the first six months in late March. The main reasons for this are the drop in oil prices and the impact of the coronavirus pandemic.

# EKOTECHNIKA

Stefan Dürr, CEO of Ekotechnika AG: “On balance, we are very satisfied with our company’s performance in the first half of the financial year. While the result for the first six months is negative due to exchange rate effects, the bottom line would have been significantly higher than last year on an adjusted basis. We assume that these currency effects will decline noticeably by the end of the financial year. This assumption is based, on the one hand, on the recovery of the ruble exchange rate in recent weeks; on the other hand, we sell our agricultural machinery at EUR/USD prices, which should lead to correspondingly higher revenues in the second half of the year.”

The Smart Farming segment, crop protection tests are running as planned in the current season and important new results are expected for the “Lead Farms” project carried out in cooperation with John Deere. In addition, Ekotechnika won three new pilot customers with a further 3,000 hectares of agricultural land.

Bjoerne Drechsler, Member of the Executive Board of Ekotechnika AG: “In order to further strengthen distribution, we have set up special teams in our four largest service branches that focus on finding suitable new customers with the corresponding development potential. In addition, we are working on setting up a Russia-wide service network for intelligent agricultural machinery and services and expect to achieve initial results in this area by the end of the financial year.”

The full report on the first six months of 2019/2020 is available on the website of Ekotechnika AG at [www.ekotechnika.de/en/investor-relations/financial-publications/](http://www.ekotechnika.de/en/investor-relations/financial-publications/).

## About Ekotechnika

Ekotechnika AG, Walldorf, is the German holding company of the EkoNiva-Technika Group, the largest distributor of agricultural machinery in Russia. The main partner and principal supplier is John Deere, the world’s largest and market-leading manufacturer of agricultural machinery. Ekotechnika’s main business lies in selling new equipment such as tractors and combines but also soil tillage machines. At the end of 2018, forestry machinery from Canadian manufacturer Tigercat was added to the portfolio. In addition, the company sells spare parts, provides service and maintenance and offers its customers smart farming technologies. Founder and Chairman of the Executive Board of Ekotechnika AG 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. Operating 23 locations in five attractive Russian farming regions, Ekotechnika today employs around 680 people and generated sales revenues of around EUR 160 million in 2018/19. The Ekotechnika stock is listed on the Primary Market of the Düsseldorf Stock Exchange (ISIN: DE000A161234) as well as on the Open Market of the Frankfurt Stock Exchange.

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