

Ekotechnika AG puts stronger focus on smart farming and benefits from the expansion of its sales regions

- **Test results of the “Lead Farms” project deliver higher yields for wheat, corn and forage maize**
- **Pilot projects at further customers scheduled to start in 2020**
- **New John Deere sales regions strengthen market leadership**

Walldorf, 12 November 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, successfully developed its new smart farming segment in the past fiscal year 2018/19 (30 September), in addition to the existing new machinery and spare parts operations.

Launched in the 2017/18 season together with John Deere in the Voronezh region, the “Lead Farms” project was expanded last season to cover an area of 3,000 hectares. In this context, the company developed a new scalable concept, which is even more strongly adapted to the specific conditions in Russia. The concept was used to test variable fertilization and optimized sowing for wheat, corn and forage maize during the last farming season. Application maps were created based on satellite maps, plant models as well as weather and soil data. These maps show the potential yields for specific areas and enable precise adjustment of sowing intensity and fertilizer quantities. Another important aspect was the documentation and the associated quality control of the work carried out, which also entail high efficiency potential.

Bjoerne Drechsler, member of the Executive Board of Ekotechnika AG: “The tests showed a noticeable increase in yields for both wheat and maize. Where wheat was concerned, the focus was initially placed on optimized fertilization. In this area alone, a 5% to 7% increase in earnings was achieved with the same capital employed. For maize, the combination of sowing and fertilization resulted in clearly positive yield effects of about 10%. The results show that the increased capital outlay quickly pays off – especially if this is extrapolated to the vast areas.”

In the coming season, the company plans to further expand the tests of the “Lead Farms” project, with another focus placed on crop protection and soil management. Besides fertilization and sowing, these are the biggest levers for increasing yields through the use of smart farming.

“The coming season will see us roll out our concept to other pilot customers. This is a long-term process and Ekotechnika is among the pioneers in this sector in Russia,” Bjoerne Drechsler adds.

New John Deere sales regions strengthen market leadership

Since 1 November 2019, Ekotechnika AG has operated in an expanded business territory in Russia. In October, the company had signed an agreement with global agricultural machinery manufacturer John Deere. The territories concerned are the Altai and Omsk regions in Siberia as well as Arkhangelsk, Karelia, the Leningrad region, Pskov, St Petersburg, Veliki Novgorod and Vologda in north-western Russia. The territories form two further large sales regions for Ekotechnika, both of which border on existing regions, including Altai, Russia’s second most important agricultural region after Krasnodar. As a result, the business area of the EkoNiva Technika Group now comprises a total of five major regions in Russia.

“Strategically, the new territories fit in very well with our regional structure and they can be managed without further development of our administrative resources,” says Bjoerne Drechsler. “This strengthens our overall competitiveness and increases our sales and earnings opportunities already in the next season for our traditional new machine and spare parts operations and, in the future, for the smart farming segment.”

Management projects potential additional revenues of between EUR 25 and 35 million from the new territories (total revenues in 2017/18: EUR 164 million).

The preliminary figures for the fiscal year 2018/19 are expected to be published in December 2019.

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, provides service and maintenance and entered the forestry machinery market at the end of 2018. 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 550 people and generated sales of around EUR 164 million in 2017/2018. The Ekotechnika stock has been listed on the Primary Market of the Düsseldorf Stock Exchange since December 2015 (ISIN:DE000A161234) and, since September 2018, also on the Open Market of the Frankfurt Stock Exchange.

EKOTECHNIKA

Contact

Ekotechnika AG // Johann-Jakob-Astor-Str. 49 // 69190 Walldorf // T: +49 (0) 6227 3 58 59 60 //
E: info@ekotechnika.de // www.ekotechnika.de

Press / Investor Relations

Fabian Kirchmann, Anna-Lena Mayer // IR.on AG // T: +49 (0) 221 9140 970 // E: presse@ekosem-agrar.de