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Don Agro International expands storage capacity to fuel its growth initiatives

- The Group is set to invest S\$1.9 million to significantly increase its storage capacity facilities from 65,000 tonnes to 95,000 tonnes
- Strategic storage expansion initiative will allow the Group to store larger amounts of wheat and sunflower seeds for longer periods with the intent to sell more during peak pricing periods, thereby resulting in the potential for greater profitability margins
- In line with its future plans as stated in its IPO offer document, the Group has also invested S\$0.4 million in new machinery with the purchase of a John Deere Self-Propelled Sprayer

Singapore, 4 June 2020 – Don Agro International Limited (the “**Company**” or “**Don Agro**”) and its subsidiaries (collectively the “**Group**”), one of the largest agricultural companies based in the Rostov region of Russia, has announced that it is investing in significantly expanding its storage capacity.

The Group plans to invest S\$1.9 million to expand its overall storage capacity facilities from 65,000 tonnes to 95,000 tonnes. This strategic storage expansion initiative will allow the Group to store larger amounts of wheat and sunflower seeds for longer periods with the intent to sell more during peak pricing periods, thereby resulting in the potential for greater profitability margins. Construction of this additional storage capacity has begun and the Group expects completion to take place within four months.

With the additional storage capacity, the Group will also be able to harvest sunflowers more quickly and sow winter wheat within the most optimal time frame, translating to the potential for yields and overall profitability.

In addition to the planned expansion of storage capacity, the Group has also invested S\$0.4 million to purchase the latest John Deere R4023 Self-Propelled Sprayer which will allow the Group to boost productivity and optimise efficiency. With this new piece machinery, the Group will be able to further save on costs and reduce the reliance on labour. For both investments, the Group will be utilising internal funding to expand its storage capacity and acquire the new machine.

Speaking on the Group’s latest development, **Mr. Evgeny Tugolukov, Executive Chairman** said, *“Fresh off our IPO in February 2020, we have begun to execute the various strategies for growth to strengthen our position as one of the largest agricultural companies in the Rostov region of Russia. This additional*

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capital expenditure on new machinery and the expansion of our facilities will allow us to improve yields within our crop business and enhance our operational efficiency. Ultimately, these efforts will translate to improved financial performance and thereby enhance long-term shareholder value.”

Looking ahead, the Group plans to scale its business through the expansion of its arable land bank. Don Agro is also exploring opportunities in mergers and acquisitions, joint ventures and strategic alliances with both domestic and foreign companies. By leveraging on its expertise and experience, the Group intends to seek new and suitable opportunities to expand into other high growth regional markets within Russia, such as other districts within the Rostov region and the Krasnodar region in Russia.



Pictured: The John Deere R4023 Self-Propelled Sprayer on Don Agro soil located in the Millerovo District in Rostov, Russia

– The End –

PRESS RELEASE

About Don Agro International Limited

Don Agro is one of the largest agricultural companies in the Rostov region in Russia principally engaged in the cultivation of agricultural crops and production of raw milk. The Group has a controlled land bank of more than 50,000 hectares, of which over 40,000 hectares are arable land. The Group also owns approximately than 14,000 hectares of its controlled land bank.

The Group's operations are located in the Rostov region, one of the most fertile regions of Russia, situated close to the Azov Sea and Don River which house major international ports. This allows the Group's customers, who are mainly traders and exporters, to save on transportation costs and, as a result, be able to offer higher prices for the Group's crops. Within the crop production segment, the Group is primarily engaged in the farming of commercial crops such as winter wheat, sunflower, corn and flax.

In addition, the Group is one of the top farms in terms of milk production in the Rostov region, and owns more than 4,000 heads of dairy cattle which includes approximately 2,000 milking cows.

Issued for and on behalf Don Agro by Financial PR

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Don Agro International Limited (the "Company") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 14 February 2020. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor").

This press release has been prepared by Don Agro International Limited (the "Company") and its contents have been reviewed by the Sponsor in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.

This press release has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this press release, including the correctness of any of the statements or opinions made or reports contained in this press release.

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