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Don Agro International gains ground with expansion plans through acquisition of neighbouring agribusiness Rav Agro Rost

- Rav Agro Rost LLC is an agricultural company located in the Millerovo District, Rostov Region of Russia, operating a controlled land bank of approximately 4,100 hectares and dairy farm of 177 dairy cows
- Total purchase consideration of 145.0 million Rubles (approximately S\$2.7 million) comprises the acquisition of a 100.0% stake in Rav Agro Rost
- Through the acquisition, the Group's controlled land bank increases by 6.5% to 67,340 hectares
- Acquisition is expected to yield operational synergies as Rav Agro Rost's controlled land banks have common borders with the Group's main operating division in the Millerovo District; moreover, dairy milk produced by Rav Agro Rost is sold to the same customer of the Group

Singapore, 28 July 2021 – 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 is pleased to announce that it has entered into a sale and purchase agreement dated 9 July 2021 and acquired a 100.0% stake in Rav Agro Rost LLC ("Rav Agro Rost") for an aggregate consideration of 145.0 million Rubles (approximately S\$2.7 million). The consideration was financed by the Group's internal funds.

No independent valuation was commissioned by a third-party valuer for the purpose of the acquisition, other than an internal valuation of Rav Agro Rost performed by the Company's management, which amounted to approximately 250 million Rubles (approximately S\$4.5 million). The book value of total assets and net tangible assets of Rav Agro Rost amounted to 136 million Rubles (approximately S\$2.5 million) and 121 million Rubles (approximately S\$2.2 million) respectively based on the latest unaudited 12-month financial period ended 31 December 2020.

Rav Agro Rost is an agricultural company that focuses on both crop and milk production. It operates a controlled land bank of approximately 4,100 hectares within the Millerovo District in the Rostov Region of Russia, of which 3,220 hectares are arable land. This region is rich in fertile black soils and provides stable and predictable weather conditions highly suited for producing crops such as winter wheat. For its dairy segment, Rav Agro Rost operates a dairy farm of about 177 dairy cows.

Following the acquisition of Rav Agro Rost, the Group now controls an enlarged land bank of approximately 67,340 hectares, representing a 6.5% increase from a high base of 63,240 hectares.

PRESS RELEASE

Importantly, the acquisition is expected to yield operational synergies as Rav Agro Rost's controlled land banks have common borders with the Group's main operating division in the Millerovo District. Moreover, Rav Agro Rost's dairy segment sells its milk to the same milk processing customer of the Group. Overall, the potential synergies from this acquisition include better procurement terms due to economies of scale and the ability to adopt new sales strategies to negotiate better prices as both crops and milk produced can be sold in larger quantities.

On this latest acquisition, **Mr. Marat Devlet-Kildeev, Chief Executive Officer of Don Agro** commented, *"Our latest acquisition of Rav Agro Rost is in line with our strategic direction to grow our controlled land bank, such that we are able to meet the increasing global demand for agricultural and dairy products and ultimately capture growth in new markets. Leveraging on our experienced, structured and hands-on farm management practices as well as the favourable weather conditions throughout the Millerovo District where we operated for many years, we are confident of our ability to increase harvest yields and enhance the overall quality of crops at these new sites. Furthermore, the operational synergies we expect to yield from this acquisition will help us drive earnings resiliency and maximise value for our shareholders moving forward."*

Apart from strategic initiatives to expand its arable land bank, Don Agro is exploring opportunities in mergers and acquisitions, joint ventures and strategic alliances with both domestic and foreign companies. By leveraging on the expertise, experience and track record of its management team, the Group intends to seek new and suitable opportunities to expand into other high growth regional markets within Russia, such as districts within the Rostov and Krasnodar regions.

This press release is released by the Company on a voluntary basis and the disclosures are referenced from the disclosure requirements of a non-discloseable transaction upon the relevant computations of Rule 1006 under Chapter 10 of the Catalist Rules. None of the directors and controlling shareholders of the Company have any interest, direct or indirect, in the acquisition other than through their respective directorships and shareholdings in the Company.

– The End –

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 is also engaged in crop production in the Volgograd region in Russia. The Group has a total controlled land bank of 67,340 hectares, of which more than 54,420 hectares are arable land. The Group owns approximately 17,200 hectares of its controlled land bank.

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The Group's operations are principally located in the Rostov region, one of the most fertile regions of Russia, situated close to the Azov and Black Seas and the Don River which house major international ports. The Group's second operating division in the Volgograd region is located in close proximity to key trading routes including the Volga River. 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 and corn.

In addition, the Group is the largest milk producer in the Rostov region and owns more than 4,000 heads of dairy cattle which includes approximately 2,200 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 "Exchange") 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 reviewed by the Company's Sponsor. It has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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