

Press Release

COMPO EXPERT enters strategic partnership in China with leading Chinese fertilizer company Xinyangfeng

Comprehensive cooperation in terms of technology development, localized production and commercialization

Münster, 11 October 2017

COMPO EXPERT GmbH (COMPO EXPERT), a leading manufacturer of specialty fertilizers for commercial use and portfolio company of the London-headquartered global private equity firm XIO Group, is entering a strategic partnership for the brands Blaukorn® and NovaTec® with Hubei Xinyangfeng Fertilizer Co., Ltd (Xinyangfeng), a leading fertilizer manufacturer in the People's Republic of China. In the future, the two companies will engage in close and comprehensive cooperation in technology development, localized production and joint commercialization of highly efficient, environmentally friendly fertilizers for the growing Chinese market.

- Comprehensive cooperation in terms of technology development, localized production and commercialization for highly efficient and environmentally friendly fertilizers under the brands Blaukorn® and NovaTec®
- Strengthening product series of nutrients for cash crops and high value crops that deliver considerable benefits for Chinese farmers
- COMPO EXPERT with significantly extended access to growing Chinese market
- Efficient local production with improved ecological footprint
- COMPO EXPERT CEO Thomas H. Ahrens: "This strategic partnership is a key milestone in the consistent implementation of our global growth strategy."
- Xinyangfeng President Bin Huang: "Xinyangfeng's decades of experience and our extensive distribution network in China are perfectly complemented by the great technology and production expertise of COMPO EXPERT."

Thomas H. Ahrens, the CEO of COMPO EXPERT said: "China is a key building block on our way to become the leading manufacturer of specialty fertilizer for commercial use worldwide. Xinyangfeng is an outstanding fit for us as a strategic partner and the partnership agreement we signed today is a key milestone in the consistent implementation of our global growth strategy. I am firmly convinced that our cooperation will be a success and will create value for both companies as well as Chinese agriculture as a whole."

COMPO EXPERT GmbH

Anschrift Krögerweg 10 · 48155 Münster **Tel.** +49 251 297981-000 **Fax** +49 251 297981-111 **Internet** www.compo-expert.de

Bankverbindung Commerzbank Frankfurt am Main IBAN DE73 5008 0000 0097 6234 00 BIC/SWIFT COBADEFFXXX Kto. 97 623 400 BLZ 500 800 00

Geschäftsführer Thomas H. Ahrens (Vorsitzender) · Thiemo Heinzen · Jörg Krüger · Dr. Ingo Müller **Sitz der Gesellschaft** Münster

Registergericht Amtsgericht Münster (HRB 14034) **USt.-IdNr.** DE 284 014 865





Through the cooperation, Xinyangfeng will become COMPO EXPERT's exclusive partner for the brands Blaukorn® and NovaTec® in China. With its extensive nation-wide distribution network through 30 sales offices and approximately 4,100 wholesalers and 60,000 retailers, Xinyangfeng has a very strong position in the Chinese fertilizer market, which will benefit COMPO EXPERT. Both companies will offer a product series of nutrients for cash crops and high value crops that meet the rising expectations of Chinese farmers in terms of crop yields and sustainability. For that purpose, Xinyangfeng will establish a local manufacturing facility in Zhonglin in the Hubei province. The resulting short transport routes will ensure efficient and environmentally friendly production.

- Bin Huang, the President of Xinyangfeng: "We are pleased with our strategic partnership with COMPO EXPERT. It combines two outstanding companies that are an excellent fit for one another. Xinyangfeng's decades of experience and our extensive distribution network in China are perfectly complemented by the great technology and production expertise of COMPO EXPERT. Together we are now well positioned to meet the growing demand of Chinese farmers for modern fertilizers."

- COMPO EXPERT, Europe's leading manufacturer of special fertilizers, offers a broad portfolio of high-quality innovative fertilizers for commercial use. The strategic partnership is centered around two products: granular NPK branded as Blaukorn® and stabilized, granular NPK under the NovaTec® brand. The Chinese market offers great growth potential especially for high quality and environmentally friendly fertilizer products with high efficiency. While China accounts for about ten percent of the world's cropland, the fertilizers used there represent almost one third of global consumption.

Murphy Qiao, Partner and Head of Asia of the XIO Group, the London-headquartered owner of COMPO EXPERT: "Since the beginning of 2015 we have been supporting the management of COMPO EXPERT in the development and implementation of a value-generating global growth strategy. The company has expanded its leading position in Europe as well as in Latin and South America. The strategic partnership with Xinyangfeng is a win-win-cooperation for both companies. It provides COMPO EXPERT with extended access to the growth market of China, while Xinyangfeng will significantly expand its production know-how and product range."

Joseph Pacini, CEO and Partner of XIO Group added: "COMPO EXPERT's strategic partnership with Xinyangfeng exemplifies XIO Group's strategy to identify and invest in market-leading and high-performing businesses located across Europe and North America and to help these companies in capitalizing on untapped opportunities in fast growing markets, particularly those in Asia."



About COMPO EXPERT

COMPO EXPERT GmbH, with headquarters in Münster in the German region of Westphalia, is an international company with locations in Europe, North and South America, Asia and South Africa. The Company produces and sells special fertilizers and biostimulants for all areas of plant cultivation. COMPO EXPERT offers a broad range of high quality, innovative special fertilizers for commercial use. Its product range includes innovative slow-release fertilizers, special mineral fertilizers, coated fertilizers, nutrient salts, liquid fertilizers, trace nutrients and soil treatments. With those products, COMPO EXPERT is a market leader in Europe.

- COMPO EXPERT was acquired in 2015 by XIO Group, a global alternative investments company, and now has approximately 600 employees. For more information, visit: www.compo-expert.com.

About XIO Group

XIO Group is a global alternative investments firm headquartered in London with more than \$3.2 billion of committed capital that employs an international team of more than 70 professionals. Representing more than 15 nationalities among its employees and its network of advisors, the firm has operations in the United Kingdom, Germany, Switzerland, Hong Kong and mainland China. With a seasoned international investment team that includes professionals with experience working at many of the world's leading private equity firms, XIO Group seeks to deploy its capital for global transactions. XIO Group's strategy is to identify and invest in market-leading businesses located across North America and Europe and help these companies to capitalize on untapped opportunities in fast growing markets, particularly in Asia. XIO Group is led by its four founders: Athene Li, Joseph Pacini, Murphy Qiao and Carsten Geyer. For more information, visit: www.xiogroup.com.

About Xinyangfeng

Established in 1982, Hubei Xinyangfeng Fertilizer Co., Ltd. is headquartered in Jingmen, Hubei Province and Beijing, People's Republic of China. After more than three decades' development, the Company has an asset of 7 billion Chinese Yuan in fertilizer main business, and 7,000 employees in total. With a production capacity of 2.6 million tons phosphate compound fertilizer per year, the Company has developed into a large scale phosphate chemical company publicly listed in the Shenzhen Stock Exchange (Stock Code: 000902) and a State-level high and new technology company, integrating the research, production and distribution of high density phosphate compound fertilizer and new-type fertilizers. During the "13th National Five-Year Plan" period, the Company will stick to the innovation-driven development concept and open synergy spirit, focus on two major business units of fertilizer and modern agriculture, further explore two types of key resources from technology and distribution channels, form four platforms of internationalization, industrial cooperation, finance and investment, as well as digitalization, so as to realize a strategic transformation and upgrade of the Company, becoming a leading modern agricultural solution provider. For more information, visit: www.xinyf.com

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Media contact

FTI Consulting

Steffi Susan Kim

Tel.: +49 (0) 69 92037 115

Email: steffi.kim@fticonsulting.com

Marietta Weiß

Tel.: +49 (0) 69 92037 118

Email: marietta.weiss@fticonsulting.com