

PUBLIC DISCLOSURE OF INSIDE INFORMATION PURSUANT TO ARTICLE 17 MAR

KAP BETEILIGUNGS-AG

SALE OF THE 94% INDIRECT SHAREHOLDING IN GEIGER FERTIGUNGSTECHNOLOGIE GMBH

Fulda, 23. May 2018 – GM Tec Industries Holding GmbH, a wholly owned subsidiary of KAP Beteiligungs-AG, today entered into an agreement on the sale of its majority shareholding in Geiger Fertigungstechnologie GmbH based in Pretzfeld. The purchase price reflects the enterprise value of EUR 38 million for all shares in Geiger Fertigungstechnologie GmbH (100%) as adjusted by its net financial liabilities on the closing date. In this context, the purchaser will assume all existing obligations vis-a-vis KAP Beteiligungs-AG, in particular arising from shareholder loans. The buyer is an indirect wholly owned subsidiary of Zhejiang Tielu Clutch Co., Ltd. based in Hangzhou, People's Republic of China. By the sale KAP Group concludes a cooperation lasting for more than 17 years.

The transaction is subject to the condition precedent of various regulatory approvals being granted by supervisory authorities. The closing of the transaction is expected to occur in the second or third quarter of 2018.

Fulda, May 23, 2018, 13:58 h

KAP Beteiligungs-AG

Guido Decker
Chairman of the Executive Board

Dr. Alexander Riedel
Chief Financial Officer