

PUBLIC DISCLOSURE OF INSIDE INFORMATION PURSUANT TO ARTICLE 17 MAR

KAP BETEILIGUNGS-AG

ENTERING INTO A PURCHASE AGREEMENT ON THE ACQUISITION OF THE HEICHE- GROUP AND CAPITAL INCREASE THROUGH CONTRIBUTIONS IN KIND

Fulda, 22. May 2018 – KAP Beteiligungs-AG today entered into a purchase agreement on the acquisition of the Heiche-Group and thus concluded the further expansion of the new **surface technologies** segment. Founded in 1965, based in Schwaigern and owned by the Heiche family for two generations, Heiche-Group is the market leader in the technologically innovative and customer-specific development of surface solutions for large customers and will become part of KAP Group. With a revenue of around EUR 40 million generated at seven national and international locations, Heiche-Group will more than double the sales of the **surface technologies** segment of KAP Group. The purchase price for Heiche-Group is comprised of a cash component, amounting to slightly less than 50% of the purchase price, and a share component of 8% of the total shares of KAP Beteiligungs-AG issued after the transaction. The KAP-shares will be reissued as part of a capital increase through contributions in kind from authorized capital. The issue price of each new share equals the weighted average price of KAP-shares during the last 30 days prior to the date of signing of the purchase agreement. The Heiche family as seller will therefore become a significant shareholder of the KAP Group.

The transaction is subject to the condition precedent of antitrust approvals being granted. The closing of the transaction and the issuance of new shares is expected to occur in the second half of the year.

Fulda, 22. May 2018, 21:45h

KAP Beteiligungs-AG

Guido Decker
Chief Executive Officer

Dr Alexander Riedel
Chief Financial Officer