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Capital increase: KION Group aims to accelerate growth after the COVID-19 pandemic

- **The KION Group resolved to increase its share capital by way of a rights issue against cash contributions**
- **Issue proceeds intended to strengthen the KION Group's financial position and provide comprehensive support for growth under the KION 2027 strategy**
- **13,108,647 new shares equivalent to approximately 11% of the current share capital to be offered to the shareholders of KION GROUP AG as part of a rights issue at a ratio of one new share for every nine existing shares**
- **Strategic shareholder Weichai Power (Luxembourg) Holding S.à r.l. has undertaken to fully exercise its subscription rights in line with its equity investment and to acquire 5,934,520 new shares**
- **Subscription offer period to run from November 20 through December 3, 2020**
- **Any new shares not subscribed for are to be offered to institutional investors in an accelerated placement process**

Frankfurt am Main, November 18, 2020 – The KION Group is taking another step with a view to strengthen its financial position and flexibility and preparing the Group for accelerated growth under its KION 2027 strategy after the COVID-19 pandemic. With the consent of the Supervisory Board, the Executive Board of KION GROUP AG today therefore decided to increase the company's share capital by way of a rights issue against cash contributions, using a large part of its authorized capital.

The proceeds from this capital increase against cash contributions are initially to be used to reduce the Group's level of debt. Once it has received the proceeds from the offering, the Group also expects to terminate the syndicated revolving credit facility that it agreed with its core group of banks under the participation of Kreditanstalt für

Wiederaufbau (KfW) in May of this year in order to bridge the current exceptional circumstances.

Gordon Riske, CEO of KION GROUP AG, says: “By raising our capital by just over 11%, with the full support of our strategic shareholder, we further solidify our balance sheet and put ourselves in a strong position to capture the opportunities created by the rapid change in our end-markets. The capital increase is aiming to enable KION to execute its strategy of profitable growth on an even stronger basis including investing into expansion in China, new product development, focus on software solutions as a differentiating factor as well as continued efforts to improve performance.”

“The KION 2027 strategy is proving its worth in the current situation. Despite the difficult economic conditions resulting from the pandemic, our order intake was higher than in the prior-year period,” says Anke Groth, CFO of KION GROUP AG, commenting on the results published for the first nine months of this year. KION 2027, she adds, is the right approach to continue generating growth in the future and improving the Group’s profitability over the long term. “In an environment that will initially still be shaped by the adverse economic effects of the COVID-19 pandemic for some time, our goal is to operate proactively from a strengthened financial position so that we can systematically drive forward and expand the strategic development of our business activities. We want to secure our share of the expected prospects of our markets after the COVID-19 pandemic and actively prepare for future growth early on.” The long-term growth prospects of the Group are supported by its global reach, a consistent focus on its strong service business, the sustained boom in e-commerce, and its SCS project business for automated solutions for global supply chains that is driven by favorable global megatrends and increasingly demanding customer expectations.

Subject to approval by the German Federal Financial Supervisory Authority (BaFin) and subsequent publication of a securities prospectus in relation to the public offering in Germany, which are both expected for November 19, 2020, the new shares will be offered to the shareholders of KION GROUP AG (subject to certain restrictions) as part of a rights issue for subscription in the period from November 20 through December 3, 2020. The new shares will be offered at a ratio of one to nine; i.e. at a ratio of one new share for every nine existing shares at the subscription price.

A total of 13,108,647 new shares are to be offered. Weichai Power has contractually agreed to fully exercise the subscription rights that it is entitled to as the Group’s major shareholder and to acquire 5,934,520 new shares.

The Executive Board expects to determine the subscription price with the approval of the Supervisory Board on November 30, 2020.

The transaction comprises a subscription offer to existing shareholders for the new shares (subject to certain restrictions) and an offer in which any offered shares remaining unsubscribed in the subscription offer may be placed with qualified institutional investors at a price at least equivalent to the subscription price. The transaction includes private placements with qualified institutional investors in accordance with the applicable securities legislation. There will be no public offering outside Germany, and the prospectus in relation to the public offering in Germany will not be otherwise approved by any regulatory body in the United States of America (“USA”). The offering outside Germany will be subject to certain restrictions, including that the new shares will only be offered outside the USA in offshore transactions in reliance on Regulation S under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”) and in the USA to investors believed to be qualified institutional buyers pursuant to Rule 144A under the Securities Act.

Any shares remaining unsubscribed are expected to be offered exclusively to qualified institutional investors by way of an accelerated bookbuilding on December 4, 2020. The final size of the capital increase against cash contributions, and thus the issue proceeds, will be determined by the Executive Board with the approval of the Supervisory Board after completion of the potential bookbuilding and is expected to be announced on December 4, 2020.

The new shares are expected to be admitted to trading on December 7, 2020 and to be included in the existing quotation in the sub-segment of the Regulated Market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange on December 8, 2020. The new shares will carry full dividend rights as from January 1, 2020.

The Company

The KION Group is one of the world’s leading providers of industrial trucks and supply chain solutions. Its portfolio encompasses industrial trucks, such as forklift trucks and warehouse equipment, as well as integrated automation technology and software solutions for the optimization of supply chains, including all related services. Across more than 100 countries worldwide, the KION Group’s solutions improve the flow of material and information within factories, warehouses, and distribution centers. The KION Group, which is included in the MDAX, is the largest manufacturer of industrial trucks in Europe and the second largest worldwide in terms of units sold in 2019. It is also a leading provider of warehouse automation based on revenue in 2019.

The KION Group’s world-renowned brands are well established. Measured by revenue in 2019, Dematic – the newest addition to the KION Group – is the global leader in warehouse automation, providing a broad range of intelligent supply chain

and automation solutions. The Linde and STILL brands serve the premium industrial truck segment. Baoli focuses on industrial trucks in the value segment. Among KION's regional industrial truck brand companies, Fenwick is the leading material handling supplier in France.

With an installed base of more than 1.5 million industrial trucks and over 6,000 installed systems, the KION Group's customers include companies of various sizes in numerous industries on six continents. The Group currently has more than 35,000 employees and generated revenue of €8.8 billion in 2019.

Current KION Group images can be found in our image database at <https://mediacenter.kiongroup.com/categories> and on the websites of our various brands.

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