Press release

# Koenig & Bauer decides to streamline the group structure

Reorganisation of the corporate structure in the Banknote Solutions business unit as of 31 December 2020

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Würzburg, 04.12.2020
In its meeting today, the Koenig & Bauer AG supervisory board approved the draft concept of the management board for the transformation of the corporate structure in the Banknote Solutions business unit designed with Treuhand KGs into a pure corporation with profit and loss transfer agreements unanimously. President and CEO Claus Bolza-Schünemann: “We have dealt intensively with this structural change and are convinced that this streamlining of the corporate structure will have a positive effect on our group. In addition to strengthening corporate governance and simplifying the management structure, we want to reduce administrative expenses with this reorganisation of the corporate structure. We remain committed to our proven broad product portfolio and will continue to further develop and consistently expand it through a large number of initiatives in accordance with market needs.” The agreed reorganisation of the corporate structure has, according to IFRS, no effect on Koenig & Bauer group’s earnings, finances and assets, but the measures significantly strengthen equity in Koenig & Bauer AG’s individual financial statements.

As part of the Fit@All restructuring programme, the four business areas Sheetfed, Digital & Webfed, Banknote Solutions and Industrial were spun off as of 1 January 2015 in the legal form of an AG & Co. KG with Koenig & Bauer AG as the sole general partner. A corresponding management GmbH, whose shares Koenig & Bauer AG holds 100%, acts as limited partner. The reorganisation of the corporate structure in the Banknote Solutions business unit will take place as of 31 December 2020 and includes Koenig & Bauer Banknote Solutions AG & Co. KG and Koenig & Bauer Banknote Solutions (DE) AG & Co. KG. It takes place in each case through the transfer of the assets of the Treuhand KGs to the limited partners Koenig & Bauer Banknote Solutions GmbH and Koenig & Bauer Banknote Solutions (DE) GmbH. This reorganisation uncovers hidden reserves which, according to current estimates, are roughly in the order of magnitude of the annual loss expected in 2020 due to the corona pandemic, so that no taxes will be triggered. The balance sheet revaluation of the book values of the equity interests enables the capital strengthening of various subsidiaries and, according to current calculations, leads to a one-off income at Koenig & Bauer AG of over EUR100m with a corresponding increase in equity.

The conclusion of the intended profit and loss transfer agreement between Koenig & Bauer AG and Koenig & Bauer Banknote Solutions GmbH still requires the approval of the Annual General Meeting in May 2021. A reorganisation of the Treuhand KGs in the other business areas will be further analysed in the next few years, taking the business development into account.

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#### About Koenig & Bauer

Koenig & Bauer is the oldest printing press manufacturer in the world with the broadest product range in the industry. For more than 200 years, the company has been supporting printers with innovative technology, tailormade processes and a wide array of services. The portfolio ranges from banknotes, via board, film, metal and glass packaging, through to book, display, coding, decor, magazine, advertising and newspaper printing. Sheetfed and webfed offset and flexo printing, waterless offset, intaglio, simultaneous perfecting and screen printing or digital inkjet – Koenig & Bauer is at home in virtually all printing processes and is the market leader in many of them. In the financial year 2019, the approximately 5,800 highly qualified employees worldwide generated annual sales of more than EUR 1.2 billion.

Further information can be found at [www.koenig-bauer.com](http://www.koenig-bauer.com)