

Press Release

euromicron AG takes on Funkwerk as a strategic anchor investor

- Strategic anchor investor Funkwerk AG aims to hold up to 28 percent of the share capital
- Capital increase from 717,639 shares to 7,894,037 shares resolved
- Second capital increase by up to 2,152,919 shares planned for the end of July 2019
- Cooperation increases joint potential in critical infrastructures, smart building solutions and IoT solutions
- Strengthening euromicron AG's equity capital to finance its continued corporate development

Frankfurt/Main, July 10, 2019 – euromicron AG, a medium-sized technology group and specialist for networking business and production processes, has taken on Funkwerk AG, Kölleda, as a strategic anchor investor. Funkwerk AG is a leading provider of innovative communication, information and security systems and intends to acquire a total of up to around 28% of euromicron AG's increased share capital following the implementation of the resolved capital measures.

“euromicron is taking a pioneering step with this capital increase. I welcome Funkwerk's strategic interest in working more closely with euromicron to create future potential for both companies. This will not only significantly strengthen our financing power, but will also make us strategically much more powerful,” said Bettina Meyer, Spokeswoman of the Executive Board of euromicron AG, in explaining the transactions.

euromicron and Funkwerk are creating the basis for a close partnership with this strategic long-term investment, which will strengthen the technological solution competence of both companies and expand market access. The anchor investment and the cooperation to be formed are intended to tap the joint potential of both companies in the field of critical infrastructures and synergies in the areas of smart building solutions and IoT solutions.

The new shares will be issued in the form of cash capital increases in two tranches. With the first tranche, 717,639 new shares were issued to Funkwerk today as part of a private placement excluding shareholders' subscription rights. This increases euromicron AG's share capital to EUR 20,182,308.60, i.e. by 10%. The Executive Board and Supervisory Board of euromicron AG resolved today to increase the company's share capital by up to EUR 7,339,020 by fully utilizing its authorized capital and issuing a total of up to 2,870,558 new non-par value registered shares. The placement price was set at EUR 3.40 per share, so that the gross issue proceeds for the first tranche amount to EUR 2,439,972.60.

The second tranche is to be effected without a prospectus as part of a cash capital increase with subscription rights. Subject to the registration of the implementation of the first tranche, the share capital of the company will be increased by a further amount of up to EUR 5,504,266.28 by issuing up to 2,152,919 new registered shares. Funkwerk has committed itself to the company to take over all shares not subscribed to by existing euromicron shareholders (a so-called backstop obligation). Funkwerk AG's backstop obligation is subject to approval by the antitrust authorities in the Federal Republic of Germany and Austria. The subscription period is scheduled to begin at the end of July 2019. Further details can be found in the subscription offer, which is expected to be published in the Federal Gazette on July 25, 2019. The subscription price was set at EUR 3.40 per share, so that the gross issue proceeds for the second tranche will be up to EUR 7,319,924.60.

The next Annual General Meeting of euromicron AG will take place on Thursday, August 29, 2019. In this context, Funkwerk is expected to propose at least one candidate for the Supervisory Board seats to be elected, subject to approval of the share purchase by the antitrust authorities.

The total gross proceeds from the two capital increases of up to EUR 9,759,897.20 are to be used to accelerate the implementation of euromicron AG's strategic development, such as the digitalization of service processes and the further development of digital business models for our customers, as well as for general company financing.



Photo: Bettina Meyer, Spokeswoman of the Executive Board of euromicron AG
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About euromicron AG:

euromicron AG (www.euromicron.de) is a medium-sized technology group that unites 16 companies from the fields of Smart Buildings, Smart Industry, Critical Infrastructures and Smart Services. Rooted in Germany, euromicron operates internationally with its around 1,900 employees at 40 locations. Backed by its expertise in sensor systems, terminal devices, infrastructures, platforms, software and services, euromicron is able to offer its customers end-to-end solutions from a single source. As a result, euromicron helps small and medium-sized enterprises, large companies and public-sector organizations enhance their agility and efficiency, prevent security risks and develop new business models. As a German specialist for the Internet of Things (IoT), euromicron enables its customers to network business and production processes and successfully achieve digitization. euromicron AG generated total sales of €318.0 million in fiscal year 2018.

Social media profiles and RSS feeds: www.euromicron.de/aktuelles/social-media

**Press contact euromicron AG:**

euromicron AG
Investor & Public Relations
Zum Laurenburger Hof 76
60594 Frankfurt/Main
Phone: +49 69 631583-0
Fax: +49 69 631583-17
IR-PR@euromicron.de
www.euromicron.de
ISIN DE000A1K0300
WKN A1K030