

Ad hoc announcement



**Publication of inside information in accordance with Article 17 of Regulation (EU) No. 596/2014
GRAMMER AG (WKN 589540, ISIN DE0005895403)**

Grammer AG has resolved to increase its share capital by EUR 40 million from authorised capital with subscription rights for the shareholders

Ursensollen, 29 October 2020 – The Executive Board of Grammer AG today resolved, with the approval of the Supervisory Board, to increase the share capital by EUR 40 million from authorised capital with subscription rights for existing shareholders. For this purpose, Grammer will issue 2,630,801 new bearer shares with dividend rights from 1 January 2020. The subscription ratio is 14:3, which means that 14 old shares entitle to subscribe to 3 new shares. The subscription price is EUR 15.21 per new share. The subscription period will begin on 30 October 2020 and will end on 12 November 2020 at 24:00 hours.

In the course of the capital increase, the Company's main shareholder, Jiye Auto Parts GmbH, will be authorised to subscribe and acquire 2,275,431 new shares (the "Main Shareholder Tranche") at the subscription price per new share through direct subscription under the statutory subscription right in accordance with the subscription ratio. Under a subscription obligation and backstop agreement concluded with the Company on 29 October 2020, the main shareholder has irrevocably committed itself to exercising the statutory subscription rights to which it is entitled in connection with the capital increase with subscription rights and to directly subscribe for the new shares attributable to its subscription rights. The remaining 355,370 new shares which are not part of the Main Shareholder Tranche (the "Free Float Tranche") will be offered to existing shareholders of the Company, with the exception of the main shareholder, by way of indirect subscription rights in accordance with the subscription ratio at the subscription price. In the subscription obligation and backstop agreement, the main shareholder has irrevocably committed itself to the Company and Bankhaus Lampe KG as the underwriting bank to acquire all new shares from the Free Float Tranche that were not subscribed for in connection with the subscription offer at the subscription price.

The subscription offer is expected to be published in the Federal Gazette (Bundesanzeiger) on 29 October 2020. The public offering of the new shares from the Free Float Tranche will be conducted without a prospectus pursuant to Section 3 No. 1 of the German Securities Prospectus Act in conjunction with Article 3 para. 2 b) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 ("Prospectus Regulation"). The offer of the new shares of the Main Shareholder Tranche constitutes an offer of securities to the main shareholder pursuant to Article 1 para. 4 a) of the Prospectus Regulation to which the obligation to publish a securities prospectus pursuant to Article 3 para. 1 of the Prospectus Regulation does not apply.

The gross issue proceeds amount to EUR 40 million. The funds flowing to the Company shall be used for the purposes of general corporate financing. With the implementation of this capital increase with subscription rights secured by the main shareholder, the Company also fulfils a requirement of the amendment agreement to the existing syndicated loan agreement concluded on 12 August 2020 between Grammer AG and the banking consortium with the participation of the Kreditanstalt für Wiederaufbau (KfW).

The new shares of the Free Float Tranche and 2,166,053 new shares of the Main Shareholder Tranche are expected to be included in the existing listing of the Company's shares (WKN 589540 / ISIN DE0005895403) on 18 November 2020. The remaining 109,378 new shares of the Main Shareholder Tranche will be securitised under a separate ISIN DE000A3H2192, will be subject to disposal restrictions (lock-up) for period of 6 months and will only be admitted to trading at a later date.

Grammer AG

The Executive Board

Disclaimer

This publication constitutes neither an offer to sell nor a solicitation to buy or subscribe to securities in any jurisdiction nor a prospectus for the purposes of the Regulation (EU) 2017/1129 as amended ("Prospectus Regulation"). A public offer of the new shares of the Free Float Tranche is made without a securities prospectus pursuant to Section 3 No. 1 of the German Securities Prospectus Act in conjunction with Article 3 para. 2 b) of the Prospectus Regulation. The offer of the new shares of the Main Shareholder Tranche constitutes an offer of securities to the main shareholder pursuant to Article 1 para. 4 a) of the Prospectus Regulation to which the obligation to publish a securities prospectus pursuant to Article 3 para. 1 of the Prospectus Regulation does not apply. The subscription offer is expected to be published on 29 October 2020.

The information contained herein is not for distribution, directly or indirectly, in or into the United States of America (including its territories and possessions of any State of the United States of America or the District of Columbia) or publications with a general circulation in the United States of America. This publication is not an offer of securities for sale in the United States of America. The securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold in the United States of America absent registration or an exemption from registration under the Securities Act. The issuer does not intend to register any portion of the offering of the shares in the United States of America or to conduct a public offering of the shares in the United States of America.

This publication is directed outside Germany only at persons in member states of the EEA and is only intended for persons in member states of the EEA who are qualified investors within the meaning of Article 2(e) of the Prospectus Regulation ("qualified investors"). In addition, in the United Kingdom, this publication is being distributed only to, and is directed only at qualified investors who (i) are persons who have professional experience in matters relating to investments within the meaning of Article 19 para. 5 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"), (ii) are high net worth entities falling within the meaning of Article 49 para. 2 (a) to (d) of the Order, or (iii) other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as "relevant persons"). Any investment or investment activity to which this publication relates is only available to and will only be engaged in with (i) relevant persons in the United Kingdom, and (ii) qualified

investors in any member state of the EEA other than the United Kingdom. Any other persons who receive this publication in the EEA other than Germany should not refer to this publication or act on its basis.

This publication is not an offer of securities for sale in Canada, Japan, Australia or South Africa.