

COMPANY NEWS

CECONOMY AG executes capital increase with freenet AG joining as new anchor investor

- // CECONOMY issues around 32.6 million new ordinary shares equal to around 10% of the current share capital under exclusion of subscription rights
- // freenet AG to acquire all newly issued shares in a private placement at €8.50 per share
- // Proceeds of around €277 million will be used to strengthen the balance sheet and to increase the financial power for the continued implementation of the strategic agenda
- // CECONOMY's supervisory board and its three existing anchor shareholders Haniel, Meridian Stiftung and Beisheim welcome the investment of freenet AG

Dusseldorf, 29 June 2018 – CECONOMY AG (“CECONOMY”) will increase its share capital by around 10% or 32.6 million new ordinary shares under exclusion of subscription rights. In a private placement, all new shares will be issued at €8.50 per share to digital lifestyle provider freenet AG (“freenet”). The issue price equals a premium of 18% based on the XETRA closing price of CECONOMY's ordinary shares of €7.23 on 28 June 2018. The consummation of the transaction is subject to customary conditions and expected until August 2018. CECONOMY will use the proceeds of around €277 million to strengthen its balance sheet and to increase its financial power for the continued implementation of its strategic agenda.

“We are delighted to welcome such an exceptional industry expert as a key shareholder to join us in the further implementation of our strategic agenda. The investment of freenet is a clear vote of confidence in CECONOMY's strategy and the future growth potential of our company. Our three anchor shareholders Haniel, Meridian Stiftung and Beisheim as well as our supervisory board also warmly welcome the new shareholder”, says Pieter Haas, CEO of CECONOMY.

“By way of our distribution cooperation, we have established a long-standing and very successful cooperation with MediaMarktSaturn which is based on mutual trust”, says Christoph Vilanek, CEO of freenet. “We aim to unlock considerable impetus going forward for our mobile communications business and also for the TV and Digital Lifestyle business.”

freenet will become the fourth anchor shareholder of CECONOMY, while its role as a supplier and partner of MediaMarktSaturn remains unaffected. Founded in 2005, freenet provides network-independent telecommunications services focusing on mobile communications, mobile Internet, TV, media and digital lifestyle applications. In Germany, it is the largest independent telecommunication provider. For more than 25 years, MediaMarktSaturn Germany and freenet's wholly owned subsidiary Mobilcom-Debitel have a successful and long-term partnership, making best use of MediaMarktSaturn's multi-channel sales channels to offer telecommunication products and services.

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About CECONOMY

CECONOMY AG is the leading platform for companies, concepts and brands in the field of consumer electronics in Europe. This market position of CECONOMY is based above all on the strong brands MediaMarkt and Saturn. With more than two billion customer contacts per year the CECONOMY companies are to provide consumers with orientation and solutions, thus allowing consumers to make optimum use of the possibilities of innovative technologies. To this end CECONOMY intends to develop new concepts and business models which provide consumers with vital added value and which tap the potential for the economic success of the Company and its shareholders.

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