



KUKA expects positive financial year 2021 and jointly with Midea defines long-term growth plan for the company under a private ownership structure – Squeeze-Out process initiated

- **KUKA CEO Peter Mohnen: “KUKA has achieved the turnaround and is embarking on a clear growth path. Our financial figures underline this success: For 2021, we are expecting sales of around €3.1 billion and EBIT of around €60 million.”**
- **To this end, the KUKA management and Midea have developed a joint growth strategy, with the aim of significantly sharpening KUKA’s role as leader in robot-based automation by 2025.**
- **To achieve this, it is planned to increase investments in research and development in Augsburg from 2021 levels by at least 15% by 2025.**
- **Midea plans to delist KUKA from the stock exchange following a Squeeze-Out to facilitate a more effective growth path allowing clear focus on the operating business.**
- **The terms and conditions of the Investment Agreement and the Ringfencing Agreement concluded in 2016 are respected and honored.**
- **Dr Andy Gu, Chairman of the Supervisory Board of KUKA AG and Vice President of Midea Group: “The ‘A’ in KUKA will continue to stand for Augsburg.”**

Augsburg/Foshan, November 23 2021 – KUKA and its majority owner, the Midea Group, have defined a joint growth vision. This way, both companies are laying the foundation for a leading role in global robot-based automation by 2025 and beyond.

Based on the strategy, KUKA will strongly focus on bringing together its robotics expertise and application know-how globally and across all parts of the company to further improve its products and market position. This includes an overarching portfolio with regionally adapted products and solutions for growth industries in robotics and logistics such as e-commerce and retail. Fast-growing markets for KUKA and Swisslog will further be strengthened in a

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targeted manner and coordination between countries will be even closer aligned.

To this end, investments in research and development in Augsburg are planned to be increased by at least 15% by 2025. As part of the strategy, Midea is also planning to delist KUKA from the stock exchange following a so-called “Squeeze-Out” process. Midea currently already holds a stake of more than 95% of all KUKA shares.

A shared vision for KUKA and Augsburg

After a difficult economic environment in recent years and the massive impact of the COVID crisis, KUKA is once again posting strong business results and benefits from the increasing global demand for automation. “KUKA has achieved the turnaround and has embarked on a clear growth path. We expect sales of around €3.1 billion and EBIT of around €60 million in 2021. Initial indications also give us reason to be optimistic about the development of business beyond 2021. For 2022 we are optimistic that this positive trend will continue,” said Peter Mohnen, CEO of KUKA AG.

“Our goal is a leading role in robot-based automation by 2025,” said Peter Mohnen. “To achieve this, we need a clear focus on technology development and innovation, as well as the full support of Midea. That is why we are jointly pursuing a long-term strategy for KUKA. Now, we have set the framework for it, with a clear focus on operations. I welcome Midea’s commitment that enables us to substantially increase our R&D spending in Augsburg to drive KUKA’s growth even more effectively. This decision will also enable KUKA to grow at our home base and to attract and retain talent as an attractive and future-oriented employer. With the growth plan 2025, we have put in place a shared vision for the way forward that goes well beyond the end of the existing Investment Agreement.”

This growth plan is fully aligned with KUKA’s ambition to make automation simpler, more intuitive, and thus more available to everyone by 2030. Programming a robot will then be as easy as working on a laptop or mobile device today. Therefore, KUKA is working on an operating system of the future with focus on simple operation and intuitive handling of automation solutions.

Agility and efficiency for the next phase of growth

“Global robotics and automation continue to be a highly dynamic growth industry, particularly in China and Asia. Products and services for robot-based automation and logistics are in greater demand than ever. With our shared growth plan, we are seizing this momentum: A unified shareholder structure is important for this long-term growth plan. By taking the partnership between KUKA and Midea to a new level, we will accelerate



sustainable growth and substantially increase KUKA's competitiveness along the way," said Dr Andy Gu, Chairman of the Supervisory Board of KUKA AG and Vice President of Midea Group.

The current listing of KUKA does not entail any material benefit for KUKA as the average daily trading volume is low. Moreover, given its low free float, KUKA is no longer part of important indices. As a delisted company KUKA will be released of the administrative requirements of a listing and will be more agile and better focused on strategy implementation and operating business.

"With the joint decision to take the company private, we are also paving the way for greater efficiency, speed and competitiveness to achieve KUKA's growth targets in Europe, the Americas and especially in the growth region of China. We will continue to respect and honor the terms and conditions of the Investment Agreement and the Ringfencing Agreement concluded in 2016. The 'A' in KUKA will continue to stand for Augsburg – we recognize this as a responsible and long-term oriented owner," explained Dr Andy Gu.

According to the terms of the Investment Agreement signed between Midea and KUKA in 2016, no domination agreement shall be concluded, and KUKA's headquarters shall remain in Augsburg.

Augsburg headquarter as R&D center and manufacturing base

Augsburg will also remain the KUKA research and development center for cutting-edge technology, with key innovation projects such as developing the new operating system and ecosystem iiQKA. The Augsburg production site will further be retained as an integral part of the KUKA manufacturing base for EMEA and other regions.

Michael Leppek, Deputy Chairman of the Supervisory Board and Employee Representative on the Supervisory Board said: "A compromise has been reached with the new strategy. We are giving up a hardly effective stock market listing in exchange for a common growth plan and business vision, as well as long-term commitments for KUKA with a focus on production and technologies. This focus is a priority to secure KUKA's future. The goal of the agreement is to protect the Augsburg site and thus jobs in the region beyond 2023."

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KUKA

KUKA is a global automation corporation with sales of around 2.6 billion euro and roughly 14,000 employees. The company is headquartered in Augsburg, Germany. As one of the world's leading suppliers of intelligent automation solutions, KUKA offers customers everything they need from a single source: from robots and cells to fully automated systems and their networking in markets such as automotive, electronics, metal & plastic, consumer goods, e-commerce/retail and healthcare. (As at December 31, 2020)

Midea Group

Midea Group is a global technology group and headquartered in China. Midea achieved sales of RMB 285.71 billion with approximately 150,000 employees in 2020. The company comprises five major business divisions: the Smart Home Business Group, the Electromechanical Business Group, Building Technologies Division, the Robotics & Automation Division, and the Digital Innovation Business.