



KKR to launch voluntary public tender offer for Axel Springer SE

June 12, 2019

- Offer to enable strategic investment to support Axel Springer's growth strategy
- KKR, Friede Springer and Mathias Döpfner partner and enter into agreement
- Offer of EUR 63 per share, representing a premium of 40 percent to Axel Springer's unaffected share price
- Executive Board and Supervisory Board of Axel Springer welcome strategic partnership with KKR and intend to recommend that shareholders accept the offer
- Offer subject to a minimum offer acceptance of 20 percent of Axel Springer's share capital

12 June 2019 – Traviata II S.à r.l., a holding company owned by funds advised by KKR, today announced its intention to make a voluntary public tender offer for the shares (ISIN: DE0005501357, DE0005754238) of Axel Springer SE ("Axel Springer"). Axel Springer is a media and technology company active in more than 40 countries. The company has diverse media brands (e.g. BILD and WELT Group, Insider Inc., Politico.eu) and classifieds portals (e.g. StepStone, SeLogger, Immowelt). 71 percent of Axel Springer's total revenues and 84 percent of adjusted EBITDA were generated by digital activities in the fiscal year 2018.

The offer price will be EUR 63 per share in cash. Therefore, Axel Springer's shareholders will receive a premium of 40 percent to the closing price of EUR 45.10 per share on 29 May 2019, i.e. the last close prior to the ad hoc announcement from Axel Springer confirming negotiations with KKR about a potential strategic investment. KKR's offer is intended to enable a strategic investment in Axel Springer to support the company's strategy in a partnership with Friede Springer and CEO Mathias Döpfner who together hold approximately 45.4 percent of Axel Springer's share capital directly and indirectly. Both have committed to form a consortium with KKR, subject to the successful closing of the public tender offer in order to jointly further develop Axel Springer. Friede Springer and Mathias Döpfner will not sell shares held by them directly or indirectly as part of the public tender offer.

"Building lasting and trusted relationships with companies worldwide is the core of what we do at KKR. We have a long track record of collaborating with entrepreneurs, families, leaders and founders who are looking both for capital and a strategic partner who supports their vision. We are pleased to join Axel Springer on its journey ahead," said Johannes Huth, Member and Head of KKR EMEA.

"Axel Springer has undergone a successful period of digital transformation from which the company has emerged as a leading European digital powerhouse. In light of the fast pace of change in the media sector, Axel Springer now needs continued organic investments and successful execution of its strategy so that the company can take advantage of the opportunities ahead. We look forward to supporting Axel Springer in tackling these challenges in a long-term and sustainable manner," said Philipp Freise, Member and Head of the European Technology, Media and Telecommunications Industry team at KKR.

KKR, Friede Springer and Mathias Döpfner have also entered into an investor agreement with Axel Springer. This agreement sets out, subject to the duties of Executive Board and Supervisory Board, that Axel Springer will support the offer. In particular, subject to their review of the offer document, the Executive Board and Supervisory Board of Axel Springer intend to recommend that Axel Springer shareholders accept the offer. The investor agreement also states, amongst other things, that the editorial independence of Axel Springer will be preserved. Axel Springer will remain a European Stock Corporation (SE). The current Executive Board members of Axel Springer will continue to lead the company. The Supervisory Board will continue to be composed of nine members, led by current chairman Ralph Büchi.

The current environment of Axel Springer is characterised by rapidly changing and challenging markets. KKR sees opportunities to further develop Axel Springer and to strengthen its market position. Together with Friede Springer and Mathias Döpfner, KKR is committed to implementing strategic and operational initiatives to achieve long-term value, based on Axel Springer's strategy.

"We are excited to partner with the exceptionally strong and visionary team at Axel Springer. With our truly global network, our growth platform and over twenty years of experience in the German market, we will help the company implement the next phase of its long-term growth agenda," said Christian Ollig, Managing Director and Head of KKR Germany.

KKR has an exceptional track record in developing global market leaders in the media and technology sectors, having worked with companies such as Bertelsmann/BMG, ProSiebenSat1, SBS Broadcasting, Nielsen, Trainline, Visma, Scout24 Switzerland, GfK, GetYourGuide, Sonos, GoDaddy, and Tele München Group/Universum.

The voluntary public tender offer will be subject to various customary conditions, including the receipt of regulatory approvals such as merger control, foreign investment control and media concentration, and a minimum offer acceptance of 20 percent of Axel Springer's share capital. This threshold was agreed between KKR, Friede Springer and Mathias Döpfner as an appropriate minimum level of participation with a view to the governance rights that shall apply for KKR as part of the consortium with Friede Springer and Mathias Döpfner as of successful closing of the tender offer.

KKR is financing the offer primarily from its European Fund V. J.P. Morgan is acting as financial advisor, Unicredit is providing financing and Freshfields Bruckhaus Deringer and Simpson Thacher & Bartlett are acting as legal advisor to KKR.

The voluntary public tender offer will only be made pursuant to an offer document to be approved by the German Federal Financial Supervisory Authority (BaFin). This offer document will be published following receipt of permission from BaFin, at which point the public tender offer will commence. The offer document and other information pertaining to the public tender offer will be made in accordance with the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz – WpÜG) on the following website: <http://www.traviata-angebot.de/>.

###

KKR media contact Germany

Raphael Eisenmann
Hering Schuppener Consulting
Phone: +49 69 92 18 74-86
Mobile: +49 160 90 61 11 07
Email: reisenmann@heringschuppener.com

Stephanie Lichtenberg
Hering Schuppener Consulting
Phone: +49 69 92 18 74-24
Mobile: +49 171 86 29 942
Email: slichtenberg@heringschuppener.com

KKR media contact international

Alastair Elwen
Finsbury
Phone: +44 207 251 3801
Mobile: +44 7557 549 325
Email: alastair.elwen@finsbury.com

Axel Springer SE media contact

Edda Fels
Axel Springer SE
Phone: +49 30 2591 77600
Email: edda.fels@axelspringer.de

About KKR

KKR is a leading global investment firm that manages multiple alternative asset classes, including private equity, energy, infrastructure, real estate and credit, with strategic partners that manage hedge funds. KKR aims to generate attractive investment returns for its fund investors by following a patient and disciplined investment approach, employing world-class people, and driving growth and value creation with KKR portfolio companies. KKR invests its own capital alongside the capital it manages for fund investors and provides financing solutions and investment opportunities through its capital markets business. References to KKR's investments may include the activities of its sponsored funds. For additional information about KKR & Co. Inc. (NYSE: KKR), please visit KKR's website at www.kkr.com and on Twitter @KKR_Co.

About Axel Springer

Axel Springer is a media and technology company and active in more than 40 countries. By providing information across its diverse media brands (among others BILD, WELT, BUSINESS INSIDER, POLITICO Europe) and classifieds portals (StepStone Group and AVIV Group) Axel Springer SE empowers people to make free decisions for their lives. Today, the transformation from a traditional print media company to Europe's leading digital publisher has been successfully accomplished. The next goal has been identified: Axel Springer wants to become global market leader in digital content and digital classifieds through accelerated growth. The company is headquartered in Berlin and employs more than 16,300 people worldwide. In the fiscal year 2018, Axel Springer generated 71 percent of revenues with its digital activities which also contributed 84 percent to earnings (adj. EBITDA).

Disclaimer and Forward-Looking Statement

This announcement is neither an offer to purchase nor a solicitation of an offer to sell shares in Axel Springer SE. The definite terms and conditions of the public tender offer, as well as further provisions concerning the public tender offer, will be published in the offer document following permission by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht) to publish the offer document. The public tender offer for shares in Axel Springer SE has not yet commenced. Investors and holders of shares in Axel Springer SE are strongly advised to read the offer document and all other documents regarding the public tender offer when they become available, as they will contain important information.

The public tender offer will be published exclusively under the laws of the Federal Republic of Germany and certain applicable provisions of U.S. takeover laws. The public tender offer documentation as well as further documents regarding the public tender offer will be available at www.traviata-angebot.de. Any contract concluded on the basis of the public tender offer will be exclusively governed by the laws of the Federal Republic of Germany and is to be interpreted in accordance with such laws.

To the extent permissible under applicable law or regulation, and in accordance with German market practice, Traviata II S.à r.l., its affiliates or its brokers may purchase, or conclude agreements to purchase, shares in Axel Springer SE, directly or indirectly, outside of the scope of the public tender offer, before, during or after the period in which the offer remains open for acceptance. This applies to other securities which are directly convertible into, exchangeable for, or exercisable for shares in Axel Springer SE. These purchases may be completed via the stock exchange at market prices or outside the stock exchange at negotiated conditions. If such purchases or arrangements to purchase are made they will be made outside the United States and will comply with applicable law, including the US Securities Exchange Act of 1934. Any information on such purchases will be disclosed as required by law or regulation in Germany or any other relevant jurisdiction and on <http://www.traviata-angebot.de>.