

**GRENKE AG commissions independent audit of franchise acquisitions and examines possible integration of the franchise model into the Group - Wolfgang Grenke suspends his Supervisory Board mandate and offers GRENKE AG to acquire CTP's franchise shareholdings**

Baden-Baden, September 21, 2020: GRENKE AG, a global financing partner for small and medium-sized enterprises, announces the next steps:

1. An independent auditing company will be commissioned to examine the market conformity of the franchise acquisitions of the previous years and their advantageousness for GRENKE AG.
2. GRENKE is reviewing an integration of the franchise model into the Group. Wolfgang Grenke offers GRENKE AG to acquire the shareholdings in the franchise companies held by CTP.
3. Wolfgang Grenke, company founder and Deputy Chairman of the Supervisory Board, will suspend his Supervisory Board mandate for the time being.
4. The Grenke family commits to its shareholding of 40.84 percent in the long-term.

**Independent audit of franchise acquisitions**

The acquisitions of the franchise companies in the previous years will be analyzed and evaluated by an independent auditor. This concerns in particular the market conformity of the valuations, the advantageousness for GRENKE AG and the validation of the purchase agreements concluded including the parties involved. The Supervisory Board has decided to obtain a corresponding audit and will soon commission an independent auditing company for this purpose.

Moreover, as already announced, the auditing firm KPMG will conduct a special audit. The objective is to prove the substance of the business and to definitively rebut the accusations.

**Possible integration of the franchise model into the Group**

Up to now, the expansion of the GRENKE Group into new markets has been carried out via franchise companies in which the managing directors of the franchise companies hold a substantial minority interest. The controlling interest has so far been held by various financial investors, including CTP Handels- und Beteiligungs GmbH (CTP). After typically four to six years, GRENKE acquires the franchise companies.

While GRENKE intends to continue to adhere to the proven model of a minority shareholding by the managing directors in the future, it is now being considered that GRENKE's controlling interest will not be acquired after the start-up phase, but that GRENKE will become a shareholder of the franchise companies as soon as they are founded.

The results of the independent auditor's report will be taken into consideration in this regard. In parallel to the preparation of the report, GRENKE will be working on the design of a new structure in the coming weeks, examining the economic merit of various options and entering into discussions with the other parties involved.

Wolfgang Grenke, indirect owner of CTP since February 2020, has offered GRENKE AG to acquire CTP's franchise shareholdings and will uphold his offer until December 31, 2021. The Board of Directors and the Supervisory Board of GRENKE AG are taking this option into consideration. Such potential acquisition of the shareholdings will also be examined by the independent auditor.

Internal discussions on the repositioning of the franchise model have already begun. Before changing the system, GRENKE will also carefully examine the effects on the accounting and consolidation of the franchise companies. Any such transactions would of course be carried out at market conditions and backed by appropriate independent valuation reports.

Antje Leminsky, Chair of the Board of Directors of GRENKE AG says: "The fact that the managing directors of our franchise companies have an entrepreneurial interest has been a successful practice for us over the past years. This strengthens the entrepreneurial spirit especially in the start-up phase of the first years. In all current franchise companies these are former employees who go abroad to enter a new market for us. We adhere to this approach but want to avoid any appearance of conflicts of interest in the future. As far as the design of the future ownership and financing structures is concerned, we will not only seek legal and economic advice, but will also seek the dialogue with our long-term oriented investors in order to include their perspective in optimizing the model."

### **Wolfgang Grenke suspends his Supervisory Board mandate**

Wolfgang Grenke suspends his Supervisory Board mandate with immediate effect until the accusations of possible conflicts of interest have been completely resolved. This also applies to his Supervisory Board mandate at the GRENKE Bank and his Board of Directors mandate at Swiss Grenkeleasing AG.

Conflicts of interest are thus excluded for the process of integrating the franchise model and the upcoming review of alternatives.

### **Long-term commitment of the Grenke family to the company**

Finally, Grenke Beteiligung GmbH & Co. KG, in which the Grenke family has bundled its aggregate 40.84 percent shareholding, has committed itself to hold its share packages in the long term. Wolfgang Grenke's shareholdings are also part of this package.

Commenting on the decisions made over the weekend, Ernst-Moritz Lipp, Chairman of the Supervisory Board of GRENKE AG, said: "Wolfgang Grenke deserves high credit for suspending his Supervisory Board mandate. He thereby gives us the time to shape the future without any conflict of interest. At the same time, the commitment of Wolfgang Grenke and the other family members shows that they have fullest confidence in GRENKE AG and the company's long-term perspective."

# Corporate News

Baden-Baden

September 21, 2020

For further information, please contact:

GRENKE AG  
Investor Relations Team  
Neuer Market 2  
76532 Baden-Baden  
Phone: +49 7221 5007-204  
Email: [investor@grenke.de](mailto:investor@grenke.de)  
Internet: [www.grenke.de](http://www.grenke.de)

Press contact  
Stefan Wichmann  
Executive Communications Consulting  
Alfred-Bierwirth-Weg 2  
D-53572 Unkel (b. Bonn)  
Phone: +49 22 24 98 77 98  
Email: [presse@grenke.de](mailto:presse@grenke.de)  
Mobil: +49 (0) 171 20 20 300

## About GRENKE

The GRENKE Group (GRENKE) is a global financing partner for small and medium-sized companies. As a one-stop shop for customers, GRENKE's products range from flexible small-ticket leasing and demand-driven bank products to convenient factoring. Fast and easy processing and personal contact with customers and partners are at the centre of GRENKE's activities.

Founded in 1978 in Baden-Baden, the Company operates in 33 countries and employs more than 1,700 staff worldwide. GRENKE shares are listed in the MDAX on the Frankfurt Stock Exchange (ISIN DE000A161N30).