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One Group – One Listing

HORNBACH Holding to take HORNBACH Baumarkt private

- One equity story historically represented in two separate listings.
- Simplifying the capital markets presence of the Group and removing inefficiencies of legacy structure by way of delisting agreement signed by both companies.
- Opportunity for all HORNBACH Baumarkt shareholders to tender their shares at a cash consideration of € 47.50 in subsequent delisting tender offer by HONRBACH Holding.
- Simplification represents an opportunity to unlock value for shareholders of both companies.
 - Delisting will reduce the complexity of legal and regulatory requirements and free up management time.
 - Potential for improved liquidity and re-rating of the HORNBACH Holding stock.
 - Offer price to HORNBACH Baumarkt shareholders represents a premium of 29.4% on the volume-weighted average price of the last 6 months.
- HORNBACH to continue its successful business strategy to strengthen its position as one of the most attractive home improvement stocks in Europe.
- One listing to drive sustainable growth across the entire Group.
- Transaction in line with the Group's long-term financing strategy to maintain at least S&P BB+ rating.
- Hornbach family remains fully committed and invested anchor shareholder ensuring long-term value creation by promoting entrepreneurial and strategic flexibility.

Bornheim (Palatinate), Germany, December 20, 2021. HORNBACH Holding AG & Co. KGaA ("HORNBACH Holding") announces its intention to launch a public delisting tender offer to all shareholders of HORNBACH Baumarkt AG ("HORNBACH Baumarkt" or the "Company"), for the acquisition of all outstanding shares not already held by HORNBACH Holding AG & Co. KGaA, following a delisting agreement both companies have signed today. HORNBACH Holding AG & Co. KGaA is the parent company of the HORNBACH Group. HORNBACH Baumarkt is the largest operating subgroup (DIY retail) of HORNBACH Group, which operates a total of 167 outlets and online shops in nine European countries as of November 30, 2021.

HORNBACH Holding will offer € 47.50 in cash as consideration for each HORNBACH Baumarkt share, representing a premium of 29.4% on the volume-weighted average price of the last 6 months and a premium of 13.8% on the last closing price of December 17, 2021.

Albrecht Hornbach, CEO of HORNBACH Holding, says: “The delisting of HORNBACH Baumarkt AG is a logical step in our company’s journey. Going forward it enables us to improve HORNBACH’s capital markets visibility by terminating one of two listings, removing inefficiencies of the legacy structure and communicating one clear equity story as one listed entity. Our delisting tender offer represents an attractive opportunity for shareholders of HORNBACH Baumarkt to sell their shares at an attractive price. Moreover, they may participate in the future value creation potential of the Group by reinvesting their proceeds in HORNBACH Holding shares.”

HORNBACH Baumarkt was listed separately from HORNBACH Holding after its IPO in 1993 to help facilitate the international development of the Group. There have been two separately listed shares since this time. From a management perspective the operations of the business have in the meantime outgrown the current capital structure and the separate listing of HORNBACH Baumarkt AG no longer serves a purpose for the Group as a whole. The low free float leads to low liquidity of the shares in the market with average daily trading volume of 29,651 shares not reflecting a proper valuation of the company. In addition, separate access to the capital market is not required for HORNBACH Baumarkt as adequate access to capital is secured via the HORNBACH Holding. A delisting of HORNBACH Baumarkt will reduce the complexity of legal and regulatory requirements and free up management time to focus on the Group’s growth agenda, implement its strategy and operating the business. The intention to delist HORNBACH Baumarkt is also in line with shareholder and analyst feedback as well as broader market trends on the simplification of listing structures.

Erich Harsch, CEO of HORNBACH Baumarkt AG, adds: “We are fully supportive of the transaction as it will enable us to be more agile and even more focused on implementing our successful strategy and operating the business. For our employees nothing changes as a result of the delisting. And for our customers, we remain the first address for their construction, garden and DIY projects.”

Transparent and competitive listing structure for the next growth period

The simplification of HORNBACH Group through the delisting tender offer to the shareholders of HORNBACH Baumarkt will remove the legacy structure and represents an opportunity to both sets of shareholders to unlock value. A cleaner structure strengthens the HORNBACH Group’s capital market profile and is expected to drive liquidity and have a positive effect on the valuation of the shares of HORNBACH Holding. One listing will also support sustainable growth at Group level, ultimately enabling HORNBACH to gain further market share across Europe in a structurally growing market.

Albrecht Hornbach adds: “With the decision to delist HORNBACH Baumarkt, we are also paving the way for greater transparency and competitiveness. We will continue our successful business strategy to strengthen our position as one of the most attractive home improvement stocks in Europe with a clearly defined equity story and a strong commitment to the capital markets. In addition, having the Hornbach families as long-term anchor shareholder on board with highest identification to the business will ensure long-term value creation by promoting entrepreneurial and strategic flexibility.”

An investment in the HORNBACH Group is an investment in a long-established family company with a history stretching back of more than 140 years and considerable further growth potential. HORNBACH Group is one of Europe’s leading retailer for building, garden and DIY. The Group’s successful business model is supported by structural trends centered around an increased focus on

the home (“cocooning”), working from home, a growing renovation market as well as consolidation in the home improvement industry in Western Europe. HORNBACH offers an attractive customer proposition, achieving highest customer satisfaction rates across multiple markets. Its powerful multichannel customer proposition has delivered e-commerce sales in excess of € 1 billion in addition to its physical store presence, with the Group continuing to investing in both its physical and online infrastructure on an ongoing basis.

The Group’s competitive advantage is driven by an organically grown platform in nine countries, a comprehensive digitization strategy, a consistent combination of all sales channels, successful private brands, and a high proportion of project and commercial customers.

Strong Q3 results testimony to superior business model

HORNBACH has continued to see strong demand for building, garden and DIY supplies in the third quarter of 2021/22 with earnings remaining well ahead of pre-COVID Q3 2019/20 levels. This has been confirmed by the preliminary, unaudited figures for the third quarter of 2021/22. In the third quarter of the current financial year, HORNBACH Holding’s net sales rose by 2.2% to € 1,400.8 million year-over-year (Q3 2020/21: € 1,371.0 million, Q3 2019/20: € 1,139.4 million). At HORNBACH Baumarkt, net sales grew by 1.9% to € 1,299.7 million year-over-year in the same period (Q3 2020/21: € 1,275.2 million, Q3 2019/20: € 1,054.5 million).

HORNBACH Group raised its full year guidance on net sales and earnings forecast for the fiscal year 2021/22 on 7 December 2021. While there remain significant uncertainties in the assessment of the Group’s business performance for the remainder of the financial year due to the ongoing unpredictability of the COVID-19 pandemic, HORNBACH Holding and HORNBACH Baumarkt both now expect to deliver between 2% and 7% growth in net sales. The adjusted EBIT forecast at HORNBACH Holding was raised to between € 330 million and € 380 million and to between € 280 million and € 330 million for HORNBACH Baumarkt. The final financial results for the third quarter and the first 9 months 2021/22 will be published on December 22, 2021.

Next steps in the process

The delisting tender offer will not be subject to any closing conditions and will not include a minimum acceptance threshold. It will be made pursuant to the terms and conditions set forth in the offer document to be approved by the German Federal Financial Supervisory Authority (BaFin). Following approval by BaFin, the offer document will be published in accordance with the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz - WpÜG) and the acceptance period for the delisting tender offer will commence. Both is expected to take place in the second half of January 2022. The Management Board and Supervisory Board of HORNBACH Baumarkt AG will publish a Reasoned Opinion once the offer document has been published. Furthermore, the management board of HORNBACH Baumarkt has undertaken, subject to customary reservations, to apply for the delisting of the HORNBACH Baumarkt shares during the acceptance period of the tender offer.

Upon the delisting, the trading of HORNBACH Baumarkt shares on the regulated market will terminate, which may result in a very limited liquidity and price availability for the HORNBACH Baumarkt shares. Shareholders of HORNBACH Baumarkt therefore have the opportunity to tender

their shares into the delisting tender offer before termination of the stock exchange listing on the regulated market. The delisting from the regulated market will also terminate some of the comprehensive financial reporting obligations and capital market publication requirements of HORNBACH Baumarkt.

The delisting tender offer is fully backed by a short term debt facility to be re-financed in due course by a balanced long-term financing structure comprising of debt and/or equity instruments, fully in line with our strategy to at least maintain our S&P BB+ rating. Further re-financing initiatives may be considered in due course. The Company remains committed to a strong balance sheet backed by a high quality property asset base. HORNBACH Holding will continue to pay a dividend to shareholders which aims for a payout ratio of 30% and will be at least equal to the previous year's level.

The offer document (once available) and other information pertaining to the public delisting tender offer will be made available on the following website: www.pluto-offer.com

Financing will be provided by Deutsche Bank and Commerzbank. Deutsche Bank is also acting as financial advisor and Tender Offer Agent and Rothschild & Co. as advisor. Gleiss Lutz is acting as legal counsel to HORNBACH Holding and Brunswick Group as communications advisor. Hogan Lovells is acting as legal counsel to HORNBACH Baumarkt.

You are welcome to attend an **analyst and investor conference call today at 4 p.m. CET** where further information about the delisting offer will be explained and any questions you may have in this regard will be answered. You can attend the conference online via Meetyoo: <https://webcast.meetyoo.de/reg/282dEPx5GMFJ>

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About HORNBACH Group

HORNBACH is an independent, family-run, and listed company. In the 2020/21 financial year (balance sheet date: February 28, 2021), it increased its (net) sales by 15.4% to € 5.5 billion. Founded in 1877, HORNBACH is the only DIY sector player with a history stretching back six generations. HORNBACH operates 167 DIY stores and garden centers (including specialist retail stores), online shops in nine European countries and 36 building materials stores (under the umbrella of HORNBACH Baustoff Union). HORNBACH's sales concept and its product ranges are fully

aligned to the needs of project and commercial customers. The company guarantees permanently low prices to its customers, making it the price leader in its sector. The high quality of advice and excellent service it provides to customers have been documented in numerous independent tests and studies. With pioneering achievements, such as the first combined DIY store and garden center (1968), the first megastore (1980), and the first DIY store with a drive-in facility (2003), HORNBACH has repeatedly demonstrated its power of innovation. The company has also acted as a jobs motor for decades, with more than 24,000 employees now working to advance its success.

Important notice

This announcement is neither an offer to purchase nor a solicitation of an offer to sell shares of HORNBACH Baumarkt AG. The definitive terms of the delisting tender offer, as well as further provisions concerning the delisting tender offer, will be set out in an offer document to be published by HORNBACH Holding AG & Co. KGaA following approval by the German Federal Financial Supervisory Authority (BaFin). Investors and holders of shares in HORNBACH Baumarkt AG are strongly advised to read the offer document and all other relevant documents regarding the delisting tender offer, when they become available, since they will contain important information.

The delisting tender offer will be published exclusively under the laws of the Federal Republic of Germany, in particular in accordance with the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz) and the German Stock Exchange Act (Börsengesetz), as well as certain applicable provisions of the U.S. Securities Exchange Act and in Canada is made pursuant to applicable exemptions from the formal take-over bid requirements under National Instrument 62-104 – Take-over Bids and Issuer Bids. The documentation relating to the delisting tender offer will be available at www.pluto-offer.com. Any contract that is concluded on the basis of the delisting 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, HORNBACH Holding AG & Co. KGaA, its affiliates or its brokers may purchase, or conclude agreements to purchase, shares of HORNBACH Baumarkt AG, directly or indirectly, outside of the scope of the delisting tender offer, before, during or after the period in which the offer remains open for acceptance. This also applies to other securities which are directly convertible into, exchangeable for, or exercisable for shares of HORNBACH Baumarkt AG. These purchases may be completed via the stock exchange at market prices or outside the stock exchange at negotiated conditions. Any information on such purchases will be disclosed as required by law or regulation in Germany or any other relevant jurisdiction and on www.pluto-offer.com.