

Press Release

Kassel/Germany, December 10, 2019

Company strategy Shaping 2030 is being accelerated and expanded Package of Measures adopted for the rapid Generation of Value and Reduction of Indebtedness

- **Great progress in the implementation of the corporate strategy Shaping 2030**
- **Comprehensive package of measures to generate value concluded**
- **Focus on realizing value in the two Operating Units Americas and Europe+**
- **Strong commitment to reducing indebtedness**
- **Expansion and realignment of the Board of Executive Directors**

The current turmoil in the global economy and the continued difficult market environment for potassium chloride has made it clear that the implementation of the Shaping 2030 strategy must be accelerated.

Over the past several months, K+S has made significant progress with the implementation of strategic projects and measures that the company has in its own hands. The transformation of the Group into a customer-oriented One Company has been completed, and the merger of subsidiaries in Germany under company law has been completed.

In 2019, the company will already achieve synergies of more than € 100 million in procurement, production, logistics, sales and marketing. It is the goal of Shaping 2030 to realize synergies of more than € 150 million per year from the end of 2020.



In addition, more than € 130 million for improving framework conditions for the German sites were invested in 2019. Thereby, wastewater-related production interruptions could be avoided.

Package of measures for rapid value generation and debt reduction developed

Despite the progress made in implementing Shaping 2030, the current difficult external conditions are hampering the achievement of our financial targets. K+S has therefore developed a package of measures to crystallize value rapidly.

The new potash plant in Bethune, Canada, alone is worth nearly €5 billion. In addition, there is the high-margin portfolio of fertilizer specialties produced in Germany and the Operating Unit Americas as a continuous cash contributor.

The package of measures aims at realizing some of these assets in the short term and clearly demonstrates a strong commitment to the rapid reduction of indebtedness. It will be developed further in the coming months and then implemented step by step.

Operating Unit Americas

A major focus of the measures is on the Operating Unit Americas. Following the acquisition of the Chilean SPL in 2006 and of Morton Salt/Windsor Salt in 2009, the Operating Unit Americas is excellently positioned in the international salt business. This Operating Unit is characterized by strong cash flows. With production and distribution locations close to customers in North and South America in conjunction with strong consumer brands, the business is unique. The Morton brand and famous "Umbrella Girl" icon has been present in millions of American households for more than a century. The Windsor, Sal Lobos and Biosal brands also have significant brand equity and value in their respective regions.



Operating Unit Europe+

In addition to the current transformation, the package of measures includes additional measures in the Operating Unit Europe+. The focus here will be on further efficiency and productivity enhancements as well as portfolio optimization.

The Operating Unit Europe+ serves all four Customer Segments of K+S: Agriculture, Industry, Consumers, and Communities. The product range extends from standard and specialty fertilizers to high-margin products for industrial applications and classic salt products used daily and that ensure safe roads in winter.

With the new potash plant in Bethune, the Operating Unit Europe+ in conjunction with the German potash sites is the only potash producer in the world with production facilities on two continents. High-quality and competitive resources guarantee future growth. With an investment volume of three billion Euros, Bethune was one of the largest investment projects of a German company in Canada in recent years and for K+S the largest single investment in the company's history.

"The rapid reduction of indebtedness is our top priority. We will now consistently implement the package of measures to crystallize value. We need a solid financial basis to achieve sustainable growth," says Dr. Burkhard Lohr, Chairman of the Board of Executive Directors of K+S AG.

Board of Executive Directors realigned

The implementation of the package of measures goes hand in hand with the refocusing of the Board of Executive Directors.

Mark Roberts, whose mandate runs until the end of September 2020 was extended by the company's Supervisory Board at his request for three years until October 2023, will focus on the Operating Unit Americas and the transactions required for the implementation of the package of measures.



"We are convinced that Mark Roberts will successfully implement the current transformation of K+S and the associated alignments at the Americas Operating Unit", says Dr. Andreas Kreimeyer, Chairman of the Supervisory Board of K+S AG.

Dr. Burkhard Lohr, Chairman of the Board of Executive Directors, will additionally assume responsibility for managing the Operating Unit Europe+ on the Board of Executive Directors. This underlines the importance of the measures to leverage synergies, strengthen technical and operational excellence and achieve future-oriented solutions in the environmental area.

Thorsten Boeckers will continue to be responsible for finances on the company's Board of Executive Directors.

Ms. Fabiola Fernandez Grund new on the Board of Executive Directors and Labor Relations Director

Ms. Fabiola Fernandez Grund, born in Sao Paulo, has been appointed by the Supervisory Board of K+S AG as a new member of the Board of Executive Directors. Upon assuming her new role, she will become Labor Relations Director and take on responsibility for the areas of IT as well as Operations and Technical Excellence Center.

Currently, she is on the Board of Executive Directors of the Gegenbauer Group, responsible for finance, human resources, and legal affairs. An experienced manager, she has held leading positions at K+S in Germany and abroad for more than 10 years. With her extensive knowledge, she will strengthen the Board of Executive Directors team in an impactful way in the future.

"We would like to welcome Ms. Fernandez Grund to the Board of Executive Directors of K+S and wish her great success", concludes Dr. Andreas Kreimeyer. "We are convinced that the Board of Executive Directors team will implement the package of measures now developed in a goal- and results-oriented manner. The further value enhancement and debt reduction are now of the utmost importance in order to be



able to take advantage of the identified growth options in the existing business as well as in new business areas and regions in an entrepreneurial manner." continues Dr. Andreas Kreimeyer.

About K+S

K+S sees itself as a customer-focused, independent supplier of mineral products for the agricultural, industrial, consumer and municipal sectors that wants to increase EBITDA to €3 billion by 2030. Our approximately 15,000 employees help farmers secure the world's food supply, offer solutions that keep industries running, enrich consumers' daily lives and ensure safety in winter. We serve the steadily-rising demand for mineral products from production sites in Europe, North and South America and a global distribution network. We strive for sustainability because we acknowledge our responsibility to people, the environment, communities and the economy in the regions in which we operate. Learn more about K+S at www.kpluss.com.

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Forward-looking statements

This press release contains information and forecasts relating to the future development of the K+S Group and its companies. The forecasts represent estimates that we have made on the basis of all the information available to us at the present time. Should the assumptions underlying these forecasts prove to be incorrect or should risks – such as those mentioned in the risk report of the current Annual Report – materialize, actual developments and results may deviate from current expectations. The company does not assume any obligation to update the statements contained in this press release outside the statutory publication requirements.