

Press Release

Kassel (Germany), December 18, 2020

Strong partnership in waste management business K+S and REMEX combine their strengths in joint venture

- **Focus on attractive growth potential in the waste management market and long-term, resource-saving waste management solutions**
- **Sustainable value added for both partners**
- **Further milestone in the strategic realignment of K+S**
- **Long-term perspective for tailings pile coverage**
- **Significant cash inflow to further reduce debt**

K+S and REMEX, a subsidiary of the REMONDIS Group, are bundling their waste management activities in a new joint venture, "REKS". As a result, two strong partners will, in the future, be jointly focusing on tapping into the attractive and rapidly growing market for reutilisation and disposal as well as sustainable waste management solutions.

With "REKS" a new, strong company is being established, combining the operations and unique infrastructure of highly advanced waste management facilities of K+S with an extensive and comprehensive sales network of REMEX. This partnership provides the best prerequisites for meeting the ever-increasing demand for environmentally friendly waste management services. It represents long-term disposal security and sustainable value contributions.



Further milestone in the strategic realignment of K+S

"REKS is of utmost importance for the strategic realignment of K+S and is an excellent example of intelligently using our unique infrastructure. For us, REMEX is the ideal partner to develop a highly integrated business model in waste management. We offer our customers the best waste management solutions, generate sustainable effects for the circular economy and protect natural resources through the optimal use of residues," says Dr. Burkhard Lohr, Chairman of the Board of Executive Directors of K+S Aktiengesellschaft. "The waste management market provides this partnership with an attractive development potential."

Long-term perspective for tailings pile coverage

Furthermore, the joint venture offer K+S the best possible access to the materials needed in the future to cover large tailings piles at the German potash sites. For the avoidance of the tailings pile water resulting from precipitation and to solve one essential issue of water protection in the long run, all tailings piles are to be suitably covered by means of new, environmentally friendly processes. "In cooperation with REMEX, we will establish an intelligent, solution-oriented business model to meet this long-term environmental obligation," continued Lohr.

Significant cash inflow to further reduce debt

The contribution of the K+S stakes to REKS, which is to be consolidated at equity, will enable K+S to realize a significant book gain, while at the same time generating a cash inflow of about 90 million euros before taxes with closing. This is part of the package of measures to reduce debt.

K+S incorporates the waste management sales activities into the partnership. The underground waste management facilities of K+S are exclusively available to the joint venture.

REMEX contributes its wholly-owned subsidiary AUREC, which processes mineral waste for backfilling at the K+S site in Bernburg, as well as corresponding sales



activities. As a result, the joint venture will have even better access to the market for waste management and recycling.

The transaction will be submitted to the antitrust authorities for approval. The closing of the transaction is expected in summer 2021.

About K+S

K+S considers itself a customer-focused, independent minerals company for the Agriculture, Industry, Consumers, and Communities segments. Our more than 14,000 employees enable farmers to provide nutrition for the world, solutions that keep industries going, improve daily life for consumers and provide safety in the winter. We continually meet the growing demand for mineral products from production sites in Europe, North and South America as well as a worldwide sales network. We strive for sustainability because we are deeply committed to our responsibilities to people, environment, communities and economy in the regions in which we operate. Learn more about K+S at www.kpluss.com.

About REMEX

REMEX GmbH, based in Düsseldorf, specializes in the disposal and recycling of minerals as well as soil treatment and remediation, backfilling and landfill operation. The company is one of the largest manufacturers of secondary aggregates in Europe. Internationally, the group operates more than 60 locations. REMEX has more than 800 employees and generates a turnover of around 550 million euros. The company belongs to the globally operating REMONDIS Group. Further information is available at www.remex.de.

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