



Invitation to the ordinary Annual General Meeting

We have pleasure in issuing a warm invitation to our shareholders to attend the

Ordinary Annual General Meeting

to be held at the

Haus der Bayerischen Wirtschaft, Max-Joseph-Straße 5, 80333 Munich, Germany

at 11:00 (CET) on Friday, 29 March 2019

I.

Agenda

- 1. Submission of the adopted Annual Financial Statements and the Management Report for KPS AG including the explanatory report of the Executive Board on the information pursuant to Article 289a Section 1 German Commercial Code (HGB) on 30 September 2018 and the approved Consolidated Financial Statements and the Management Report for KPS AG and the Group at 30 September 2018 including the explanatory report of the Executive Board on the information pursuant to Article 315a Section 1 German Commercial Code (HGB) as at 30 September 2018 and submission of the Report of the Supervisory Board for the business year 2017/2018.**

The documents referred to above will be available at the Annual General Meeting and the Executive Board and – as far as these relate to the Report of the Supervisory Board – the Chairman of the Supervisory Board will provide more detailed explanations of these documents at the meeting. In accordance with the statutory regulations, no resolution is provided for on this agenda item, because the Supervisory Board already approved the annual and consolidated financial statements at its meeting on 24 January 2019 and the annual financial statements have thereby been adopted.

The documents referred to are also available on our Internet site at <http://www.kps.com> (in the "Investor Relations" and there under "Annual General Meeting"). On request, shareholders of the company will be sent a copy of the documents by post once only and free of charge.

2. Resolution on the appropriation of the net profit of KPS AG

The Executive Board and the Supervisory Board propose that the net profit for the business year 2017/2018 of KPS AG amounting to EUR 30,327,767.46

- a) be appropriated in the amount of EUR 13,094,235.00 for the payout of a dividend of EUR 0.35 for each no-par value share entitled to receive a dividend, and
- b) that the remaining sum in the amount of EUR 17,233,532.46 be carried forward to new account.

A dividend adopted by a resolution of the Annual General Meeting only becomes due on the third business day following the Annual General meeting pursuant to Article 58 Section 4 sentence 2 Stock Corporation Law (AktG) (i.e. on Wednesday 3 April 2019) and such dividend will also only be paid out then.

3. Resolution on the discharge of the Members of the Executive Board for the business year 2017/2018

The Executive Board and the Supervisory Board propose that the actions of the sole Member of the Executive Board incumbent during the business year 2017/2018 be approved for this period and that they be discharged.

4. Resolution on the discharge of the Members of the Supervisory Board for the business year 2017/2018

The Executive Board and the Supervisory Board propose that the actions of the members of the Supervisory Board incumbent during the business year 2017/2018 be approved for this period and that they be discharged.

5. Resolution on the appointment of the auditor of the financial statements and the auditor of the consolidated financial statements and of the auditor for any audit inspection of interim reports for the business year 2018/2019

The Supervisory Board proposes that Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft (audit firm), Munich, be appointed as the auditor of the financial statements and auditor of the consolidated financial statements for the business year 2018/2019, and as the auditor for any audit inspection of the half-year report and any additional financial reports pursuant to Article 115 Securities Trading Law (WpHG) for the business year 2018/2019, insofar as such interim reports are to be subject to an audit inspection.

The Supervisory Board has declared that its proposal is free from undue influence from third parties and that it was not subject to any clause restricting potential choice pursuant to Article 16 Section 6 of Directive (EU) no. 537/2014.

6. Resolution on the election of members of the Supervisory Board

The periods of office of the Members of the Supervisory Board elected by the Annual General Meeting held on 28 March 2014 Michael Tsifidaris, Uwe Grünwald and Hans-Werner Hartmann in each case come to an end when the ordinary Annual General Meeting finishes

on 29 March 2019. A new election therefore needs to be held for Members of the Supervisory Board. Mr. Michael Tsifidaris, Mr. Uwe Grünewald and Mr. Hans-Werner Hartmann are to be proposed for re-election.

Pursuant to Article 96 Section 1, Article 101 Section 1 Stock Corporation Law (AktG) and Clause 9 Section 1 of the statutes, the Supervisory Board of KPS AG comprises three members who are elected by the shareholders.

The following disclosure is made on the basis of Section 5.4.1 Sub-section 6 to 8 of the German Corporate Governance Code: Mr. Michael Tsifidaris, Mr. Uwe Grünewald and Mr. Hans-Werner Hartmann are currently Members of the Supervisory Board of KPS AG. Mr. Michael Tsifidaris and Mr. Uwe Grünewald each hold more than 10 % of the shares in KPS directly as shareholders and they both work as management consultants in KPS Business Transformation GmbH, Unterföhring.

The intention is to allow the Annual General Meeting to reach a decision about the re-election of the Supervisory Board by delegates casting votes by individual vote.

The Supervisory Board submits a proposal to elect effective from the end of the Annual General Meeting the following persons as Members of the Supervisory Board until the end of the Annual General Meeting which passes a resolution on the discharge of the Members of the Supervisory Board for the fourth business year after the beginning of the period of office, whereby the business year in which the period of office commences is not included in the calculation:

- a) Michael Tsifidaris, Hamburg
Management Consultant, KPS Business Transformation GmbH, Unterföhring
- b) Uwe Grünewald, Münster
Management Consultant, KPS Business Transformation GmbH, Unterföhring
- c) Hans-Werner Hartmann, Grassau-Mietenkam
Lawyer, occupation as an independent lawyer, Grassau-Mietenkam

All the candidates have given assurance that they will be able to make the expected commitment of time for their mandate on the Supervisory Board if they are elected to this position.

According to the assessment of the Supervisory Board, Mr. Hans-Werner Hartmann meets the requirements for financial experts pursuant to Article 100 Section 5 Stock Corporation Law (AktG).

If Mr. Michael Tsifidaris is elected to the office of chairman, it is envisaged that he should once again be proposed as a candidate for the Chairmanship of the Supervisory Board.

The career profiles and memberships in other supervisory boards formed pursuant to statutory regulations and comparable German and foreign controlling bodies of business enterprises held by the candidates proposed for election are disclosed under Clause II. of this invitation to the ordinary Annual General Meeting.

II.

Supplementary disclosures relating to agenda item 6

1. Career profile of Mr. Michael Tsifidaris



Born on 29 April 1969 in Schorndorf

Nationality: German

Management Consultant at KPS Business Transformation GmbH, Unterföhring

Memberships in other supervisory boards formed pursuant to statutory regulations:

none

Memberships in comparable German and foreign controlling bodies of business enterprises:

none

Michael Tsifidaris is one of the four founders of KPS. After being granted a degree in business administration, he commenced his career at IBM Consulting where he was responsible for international projects in the areas of Supply Chain, ERP and Outsourcing. After holding several positions with national and international responsibility, he was appointed to the Management Team for Central Europe. In 1994, he published his book entitled "Management der Innovation. Pragmatische Konzepte zur Zukunftssicherung des Unternehmens" (Management of Innovation. Pragmatic Concepts for Future-proofing the Company). In 2002, Michael Tsifidaris took on responsibility for the strategic development of the company as a Managing Shareholder and Managing Partner of KPS. In 2008, he was appointed as Chairman of the Supervisory Board. Owing to his professional career, Mr. Tsifidaris possesses comprehensive management experience, and national and international expertise in the areas of strategic development, innovation development, business transformation, and technology implementation. Michael Tsifidaris is also responsible for the increasing industrialization of consultancy services at KPS.

2. Career profile of Mr. Uwe Grünewald



Born on 9 July 1960 in Düsseldorf

Nationality: German

Management Consultant at KPS Business Transformation GmbH, Unterföhring

Memberships in other supervisory boards formed pursuant to statutory regulations:

none

Memberships in comparable German and foreign controlling bodies of business enterprises:

none

Mr. Uwe Grünewald is one of the four founders of KPS AG. He studied business administration at the University of Cologne majoring in company planning, marketing, and information technology. From 1986 to 1995, he worked at AT&T in the telecommunications sector where after building up a unit for optimizing business processes he was head of consultancy throughout Europe. He then went on to spend four years in various leadership and management functions at IBM, where the final position he held was as Head of Industry Practice SAP Consultancy Germany. Over the past 30 years, he has worked as a management consultant designing and optimizing corporate processes. Since the establishment of KPS in January 2000, he has headed complex program initiatives at major clients. In May 2008, Uwe Grünewald was appointed as a Member of the Supervisory Board at KPS AG. Owing to his professional career, Mr. Grünewald possesses comprehensive expertise in the areas of Optimizing Integrated Business Processes, Architecture and Design of Holistic IT Landscapes, Management of and Quality Assurance in Large Projects at KPS.

3. Career profile of Mr. Hans-Werner Hartmann



Born on 16 March 1953 in Geislingen/Stg.

Nationality: German

Lawyer, occupation as an independent lawyer, Grassau-Mietenkam

Memberships in other supervisory boards formed pursuant to statutory regulations:

none

Memberships in comparable German and foreign controlling bodies of business enterprises:

none

Mr. Hans-Werner Hartmann studied business administration at the Universities of Augsburg and FH Fulda majoring in Auditing, Tax Law, and Finance and Accounting, and Law (completion of 2nd state examination) at the University of Augsburg. From 1979 to 2008, he also worked as Head of Finance and Accounting at among others DMT Maschinenbau GmbH, Salzburg, Aix Les Bains, and then took over the executive management of various production companies. In 2004, he was appointed as Member of the Supervisory Board of Haitec AG. After the reverse takeover of this entity by KPS AG, he was confirmed as a Member of the Supervisory Board. In his consulting activity as a lawyer and business manager, he implemented numerous solutions for cost reduction and revenue growth. Today, Mr. Hartmann advises international companies in the area of M&A.

III.

Further disclosures and information

1. Prerequisites for participation in the Annual General Meeting and the exercise of the voting right

Pursuant to Article 15 of the statutes only those shareholders are entitled to participate in the Annual General Meeting and to exercise their voting right who register for the Annual General Meeting in text form (Article 126b German Civil Code (BGB)) and who have entered the registered shares in the Share Register of the company. The company must receive the registration for participation in the Annual General Meeting at the latest by the end of 22 March 2019, 24.00 (CET), at the following address, fax number or email address:

KPS AG
c/o Computershare Operations Center
80249 Munich
Germany
Fax: +49 89 30903-74675
Email: anmeldestelle@computershare.de

The company continues to offer its shareholders, while observing the aforementioned registration deadline, the opportunity to register online using the shareholders portal which they can go to using the Internet site of the company at <http://www.kps.com> (under "Investor Relations" and there under "Annual General Meeting"). The shareholders need their shareholder number and the relevant password in order to gain access to the shareholders' portal. The shareholders are provided with the shareholders' number and the individual password for initial accessing the shareholders' portal in the documents they are sent together with the invitation to the Annual General Meeting.

Additional information on the registration procedure is provided together with the registration form sent accompanying the letter of invitation, which can also be used for the granting of a proxy and the provision of instructions to the proxy holder nominated by the company, and online in the shareholders' portal.

The share portfolio recorded in the share register on the date of the Annual General Meeting is relevant for the participation and voting right. This recorded share portfolio will correspond to the portfolio recorded at the registration closure at 24:00 (CET) on Friday 22 March 2019 (technical record date), since for technical reasons share re-registrations cannot be registered in the share register during the period from registration closure up to and including the day of the Annual General Meeting (cessation of changes in the share register). However, the cessation of changes in the share register does not entail a block on the availability of the shares. Shareholders are therefore free to dispose over the shares after they have successfully completed the registration process. However, purchasers of shares whose reregistration applications are received by the company after 24:00 (CET) on 22 March 2019 will not be able to exercise their participation and voting rights, unless they have appointed a proxy holder or issued an authorization to exercise such rights. In such cases the participation and voting rights remain with the shareholder registered in the share register until the date of reregistration. Purchasers of shares in the company who are not yet registered in the share register are therefore requested to submit reregistration applications as soon as possible.

Banks and shareholders' associations and other equivalent institutions or persons defined pursuant to Article 135 Stock Corporation Law (AktG) may only exercise the voting right for shares which do not belong to them, where however they are registered as their holder in the share register, on the basis of an authorization. More information on this is provided in Article 135 Stock Corporation Law (AktG).

The shareholders or their proxies entitled to participate in proceedings will be sent entry tickets to the Annual General Meeting. Shareholders who register on the shareholders' portal have the opportunity to print out their entry ticket directly themselves or they can save it electronically on their mobile phone.

Contrary to the registration for the Annual General Meeting, the entry ticket is not a prerequisite for participation, but only serves to simplify the process of carrying out entry checks for access to the Annual General Meeting.

2. Procedure for granting voting proxies

Shareholders who do not personally want to participate in the Annual General meeting are able to have their vote exercised by appointing a proxy, such as e.g. by a bank, a shareholders' association, other third party or a voting proxy appointed by the company. In this case, a formal and timely registration in accordance with the above Section 1 is necessary.

Notification for the granting of a proxy, its revocation and verification of authorization to the company must be made in text form (Article 126b German Civil Code (BGB)). The revocation can also be effective if the authorizer of the proxy comes to the Annual General Meeting in person.

Banks, financial services institution, shareholders' associations and equivalent persons

If a bank, a financial services provider equivalent to a bank pursuant to Articles 135 Section 10, 125 Section 5 Stock Corporation Law (AktG), a shareholders' association or another equivalent person pursuant to Article 135 Section 8 Stock Corporation Law (AktG) is

to be given authorization, there are no special formal requirements for notification pursuant to the law or the Articles of Incorporation. However, we draw your attention to the fact that in these cases the institution or person to be authorized may require a special form of proxy because they must be able to prove the authorization in verifiable form pursuant to Article 135 Section 1 p. 2 Stock Corporation Law (AktG). The shareholders should therefore agree the possible form of the proxy with the institution or person who they would like to authorize in good time.

Other authorized persons

If neither a bank nor a shareholders' association, nor any other person or institution equivalent to them pursuant to Articles 135 Section 8 and 10, 125 Section 5 Stock Corporation Law (AktG) is authorized, the proxy can either be granted to the authorized person or to the company in text form (Article 126b BGB). The same is applicable for revocation of the proxy.

The authorization can be made using the proxy form included in the registration form or the proxy form included in the entry ticket. The company offers its shareholders the opportunity to grant proxies by means of the shareholders' portal which they can go to at the Internet address of the company under <http://www.kps.com> (in "Investor Relations" and there under "Annual General Meeting"). A proxy can also be granted in any other procedurally correct manner.

If the authorization is granted to the company, and the shareholders' portal has not already been used for this purpose, the proxy should be sent to the following address, fax number or email address:

KPS AG
c/o Computershare Operations Center
80249 Munich
Germany
Fax: +49 89 30903-74675
Email: ir@kps.com

If the proxy is granted to the authorized person, the authorized person will require verification of the authorization to the company in text form (Article 126b German Civil Code (BGB)). This verification can be provided on the day of the Annual General Meeting at the entry checkpoint. The verification of authorization can also be sent to the above address, fax number of email address.

If the shareholder gives authorization to more than one person, the company is entitled to reject one of more of such authorizations.

Proxy representatives of the company

The shareholders also have the option of authorizing their voting rights to be exercised by the proxy representative nominated by the company in accordance with the granting of corresponding authorizing and instructing proxies. Also in this case, a formal and timely registration is necessary in accordance with the above Section 1.

A form for the granting of authorizing and instructing proxies is included in the registration form and in the entry ticket.

The granting, amendment or revocation of proxy and instructions to the proxy representative of the company should be made for organizational reasons by 24:00 (CET) on Thursday 28 March 2019 in text form (Article 126b German Civil Code (BGB)) to the following address, fax number or email address.

KPS AG
c/o Computershare Operations Center
80249 Munich
Fax: +49 89 30903-74675
Email: anmeldestelle@computershare.de

Alternatively, they can grant a proxy and issue instructions to the proxy holder appointed by the company also by 24:00 (CET) on Thursday 28 March 2019 by means of the shareholders' portal which they can go to at the Internet address of the company under <http://www.kps.com> (at "Investor Relations" and there under "Annual General Meeting"). They can also use the shareholders portal to change any instructions already issued up until 24:00 (CET) on Thursday 28 March 2019.

Furthermore, we offer shareholders, shareholders representatives or the authorized proxies who have registered correctly and by the deadline and come to the Annual General Meeting the opportunity to authorize the proxy representative of the company to exercise the voting right as instructed or to change instructions already given directly at the Annual General Meeting up until the beginning of the casting of votes.

Insofar of the proxy representatives of the company are authorized as proxies, they must in each case be provided with instructions for the exercise of the voting right. The proxy representatives of the company are obliged to vote in accordance with the instructions. The proxy representatives of the company must not exercise the voting right when voting takes place on matters the subject of which was not known in advance of the Annual General Meeting (for example in the case of points of order). In these cases, the proxy representatives of the company must abstain or not participate in voting. The same is applicable for voting in relation to a counter-motion or nomination with express instruction. The authorization of the proxy representative of the company to file objections or to put forward motions or ask questions is not possible.

3. Information on the rights of shareholders pursuant to Articles 122 Section 2, 126 Section 1, 127, 131 Section 1 Stock Corporation Law (AktG)

a) Amendments to the agenda on request by a minority pursuant to Article 122 Section 2 Stock Corporation Law (AktG)

Shareholders whose shares together make up one twentieth part of the capital stock (which corresponds to 1,870,605 shares) or the proportionate amount of EUR 500,000.00 (which corresponds to 500,000 shares) can request that items are placed on the agenda and published. Each new item must be accompanied by a justification or a proposed resolution. The request must be made in writing to the Executive Board of KPS AG and must be received by the company by at the latest the end of 26 February 2019 at 24:00 (CET). We ask that requests for amendments should be sent to the following address:

KPS AG
- Attn. of the Executive Board -
Beta-Straße 10h

85774 Unterföhring
Germany

The shareholders in question must provide verification pursuant to Article 122 Section 1 and Section 2 Stock Corporation Law (AktG) that they have been the holders of the minimum number of shares set out above for at least 90 days prior to the day of receipt of the request and that they will hold these shares until the decision by the Executive Board about the proposal. Article 121 Section 7 Stock Corporation Law (AktG) should be applied for calculating the deadline. The receipt of the request should therefore not be included. A postponement of the deadline from a Sunday, a Saturday or a public holiday to a previous or subsequent working day is not possible. Articles 187 to 193 of the German Civil Code (Bürgerliches Gesetzbuch, BGB) should not be applied accordingly.

b) Countermotions and nominations pursuant to Articles 126 Section 1, 127 Stock Corporation Law (AktG)

Each shareholder is entitled pursuant to Article 126 Section 1 Stock Corporation Law (AktG) to submit countermotions on the proposals for resolution made by the Executive Board and the Supervisory Board on the agenda items without the requirement to announce, publish or take other special action to this effect prior to the Annual General Meeting. The same applies to countermotions on nominations for the election of Members of the Supervisory Board (insofar as this is an item on the agenda) and auditors (Article 127 Stock Corporation Law (AktG)).

However, shareholders can also submit countermotions against a proposal by the Executive Board and/or the Supervisory Board on items of the agenda and nominations before the Annual General Meeting. Such proposals should only be sent to the following address, fax number or email address:

KPS AG
Investor Relations
Beta-Straße 10h
85774 Unterföhring
Germany
Fax: +49 89 35631-3300
Email: ir@kps.com

The company – subject to Articles 126 Section 2 and 3, 127 Stock Corporation Law (AktG) – will immediately notify the other shareholders on the Internet site of the company at <http://www.kps.com> (in the area “Investor Relations” and there under “Annual General Meeting”) about countermotions and nominations received from shareholders at the above these contact points up to 14 days at the latest before the Annual General Meeting, i.e. at the latest by 24:00 (CET) on 14 March 2019. Any statements by the administration will also be published at the Internet address referred to above.

We draw your attention to the fact that countermotions and nominations which have been submitted to the company properly and timely will only be dealt with at the Annual General meeting if they are put forward orally at the Annual General Meeting. The right of each shareholder to submit countermotions or election proposals during the Annual General Meeting even without previous notification to the company shall not be affected.

c) Right to information pursuant to Article 131 Section 1 Stock Corporation Law (AktG)

At the Annual General Meeting every shareholder should be provided with information by the Executive Board about the affairs of the company, the legal or business relationships of the company with affiliated companies and the position of the Group and the companies consolidated in the consolidated financial statements, insofar as this information is necessary for the objective assessment of an item on the agenda. Information requests must be verbally at the Annual General Meeting during the public discussion. The Executive Board may refuse the information for the reasons specified in Article 131 Section 3 Stock Corporation Law (AktG).

Further explanations of shareholders rights can be found on the Internet page of the company under <http://www.kps.com> (in the area "Investor Relations" and there under "Annual General Meeting").

4. Information and documents for the Annual General Meeting

From the date of convening the Annual General Meeting, the documents designated in Article 124a Stock Corporation Law (AktG) have been made accessible for viewing and available for download on the Internet site of the company at <http://www.kps.com> (in the area "Investor Relations" and there under "Annual General Meeting"). Your attention is drawn to the fact that the statutory obligation has been complied with by making such information accessible on the Internet site of the company. However, on request the copies of the documents will be sent by simple post to shareholders once only free of charge.

5. Total number of shares and voting rights

The capital stock of the company amounts to EUR 37,412,100.00 on the date of convening this Annual General Meeting and is divided into 37,412,100 registered no-par shares. Each no-par share grants one vote. At the time of convening this Annual General Meeting, the company was holding no own shares (treasury shares).

6. Information on data protection

If you register for the Annual General Meeting or grant a proxy, we will collect personal data about you and/or about your proxy. This is carried out in order to allow shareholders to exercise their rights in relation to the Annual General Meeting.

KPS AG processes your data as a data controller in accordance with the regulations of the EU General Data Protection Regulation (EU-Datenschutz-Grundverordnung, DSGVO) and all other statutory legislation. You can find information on the handling of your personal data and your rights under the GDPR (DSGVO) on the website of the company under <http://www.kps.com> (at "Investor Relations" and there at "Annual General Meeting").

KPS AG
The Executive Board