

KLINGELNBERG AG
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Ad hoc notice pursuant to Art. 53 LR
(Listing Rules of SIX Exchange Regulation)

Flooding of KLINGELNBERG Group's site in Hückeswagen, Germany

- Initial estimates of the total damage range from EUR 55 to 65 million / insurers to bear around EUR 15 million
- Expected profit for 2021/22 financial year no longer realizable due to damages
- Supporting feedback from customers, suppliers, business partners
- Order intake continues to develop positively
- Existence of the Group secured
- Major shareholder provides EUR 10 million as a precautionary measure to secure liquidity / temporary in-house wage agreement sought with simultaneous sacrifices by Board of Directors, Executive Board, and Management

Zürich/Switzerland, 04 August 2021 – **On 15 July 2021, the KLINGELNBERG Group had informed that due to persistent heavy rainfall in the western and southwestern parts of Germany, KLINGELNBERG Group's site at Hückeswagen Peterstraße – just as large parts of the entire affected region – had been flooded by high water on the late evening of 14 July. At the time, it was not yet possible to quantify the damage, but it was clear that the damage would be substantial. Meanwhile, an initial assessment of the extent could be made.**

Since the flooding occurred, the KLINGELNBERG Group has done everything it could to secure the site's and the company's existence as a whole. All available employees at the Hückeswagen site participated in the clean-up operations. On the morning of the day following the flooding, an immediately commissioned expert company began to ensure emergency operation, prevent consequential damage to the environment, secure machinery and equipment and protect it from further damage. The site's IT, which was shut down during a power outage, was brought back online. At the same time, the company started talking to customers and suppliers to create acceptance for unavoidable delivery delays, on the one hand, and, on the other hand, to motivate suppliers to give preference to KLINGELNBERG to reduce possible effects on business operations further. The outcomes of these talks were extremely positive. Not least because of the long-standing solid business relations based on mutual fairness, KLINGELNBERG has been assured of far-reaching support and solidarity by its customers and partners.

KLINGELNBERG is convinced that an existential threat to the company can be averted. As things look at present, KLINGELNBERG reckons with a total charge of around EUR 55 to 65 million for property damage and disruption of operations. Of this amount, around EUR 15 million is expected to be offset by insurance. All data and figures are estimates and are preliminary and therefore

subject to verification and further evaluation of the situation.

The KLINGELNBERG Group had expected a clearly positive result for the 2021/22 financial year. Before the flood disaster, the company was well on its way to generating double-digit EBIT in the millions – instead of the high single-digit million profit that had been initially forecast. Also, the company had successfully dealt with the burdens from the setback in global economic activity that began in 2019, the additional burden from Corona in 2020, and the comprehensive in-house measures introduced to secure its future. Against the background of the estimated damage caused by the flooding, KLINGELNBERG now expects a loss (EBIT) for the current financial year of between EUR 30 and 40 million. Given the solid balance sheet reported with the annual financial statements as of 31 March 2021, with net liquidity of EUR 15,5 million and a very high equity ratio of 56 percent (i.e., equity of EUR 120,5 million), KLINGELNBERG will be able to cope with the damage on its own.

Despite the damage caused by the flood at the Hückeswagen site, the positive trend in order intake continued. The company's order backlog currently stands at over EUR 190 million – higher than ever before. As a further measure to safeguard the company's existence, its main shareholder – the Klingelberg family – has declared its willingness and commitment to providing the company with an amount of EUR 10 million to ensure liquidity at all times, if required. The Board of Directors, Executive Board, and Management voluntarily sacrifice part of their remuneration. In addition, efforts are being made to reach a temporary in-house wage agreement with the competent wage bargaining partner.

The KLINGELNBERG Group employs around 750 people at two locations in Hückeswagen. Around 650 employees work at the Peterstraße site, which was affected by the flooding.

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About KLINGELNBERG

Founded in 1863, KLINGELNBERG is one of the leading companies in the global gear industry. The company develops and builds machines for the production of bevel and cylindrical gears, measuring centers for axially symmetric workpieces of all kinds, including high-precision transmission components to customer specifications. With headquarters in Zürich, Switzerland, and more than 1.000 employees, KLINGELNBERG operates development and production facilities in Zürich (Switzerland), Hückeswagen and Ettlingen (Germany) and is represented by sales and service subsidiaries in Germany, Switzerland, France, Italy, Spain, Japan, India, China, Brazil, the USA and Mexico. KLINGELNBERG 's shares are listed on the SIX Swiss Exchange (KLIN).

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Furthermore, this release contains alternative performance indicators that are not defined or listed in the applicable, recognized accounted standard (Swiss GAAP FER).

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