

KROMI adjusts annual forecast for fiscal year 2019/2020

- **After positive business development in H1 2019/2020, full-year forecast adjusted due to corona pandemic**
- **New forecast: Single-digit percentage decline in revenue compared with previous year and slightly negative operating result (EBIT)**
- **Trend towards tool management solutions intact; advanced talks on business expansion with existing customers**

Hamburg, May 15, 2020 - KROMI Logistik AG has adjusted its revenues and earnings forecast for fiscal year 2019/2020. This decision is based on the impact of the corona pandemic on the manufacturing sector: Significantly lower production levels at KROMI's customers in April and the subdued development anticipated in May and June will impact KROMI's business activities accordingly.

Bernd Paulini, CEO, comments: "The corona pandemic with its negative economic consequences hit our company at an absolute inopportune moment during the course of April. We have got off to a good start in the current fiscal year. Our expanded business model with the transparent presentation of our services and the associated customer benefits received a very positive response from the market. Accordingly, we wanted to continue the positive trend of the first half of 2019/2020 in the second half of the fiscal year. In view of the corona pandemic, we now expect revenues to be below the previous year's level and operating EBIT to be slightly negative". Chief Financial Officer Christian Auth adds: "Especially in the current situation, we are benefiting from the significant reduction in our working capital as a result of the optimisation measures implemented over the past twelve months. In addition, our cost-cutting initiatives introduced at an early stage are taking effect, so that the decline in sales will only result in a slight adjustment of the operating EBIT forecast".

Irrespective of the current effects of corona, the trend towards end-to-end outsourcing solutions for tool management in KROMI's core markets remains unbroken. The combination of data management, efficient machining and logistics processes and optimized tool procurement means that KROMI offers its customers a unique competitive advantage. As a result, the company is in advanced talks with existing customers to expand its tool management activities to locations in additional EU countries and international markets. In view of this, the Management Board remains confident that it will be able to use the potential in Germany and abroad and to return to profitable growth over the medium term.

Company profile:

KROMI, Hamburg, is a manufacturer-independent specialist for optimizing tool availability and tool use, in particular for technically demanding machining tools for metal and plastics processing in machining operations. As a trustworthy and transparent partner to the manufacturing industry, KROMI combines machining technology, data management, lean logistics processes and tool trading to create

convincing overall solutions. With networked tool dispensing machines in the customer's production area with simultaneous digital inventory controlling, KROMI ensures the optimum use and availability of the necessary operating resources at the right time and in the right place. The aim of KROMI's activities is to always offer the machining companies the highest customer benefit. To this end, customer processes are constantly analyzed in detail, opportunities and potential for improvement are identified, and thus the supply of tools is optimally integrated with all of the services required for this. KROMI currently has facilities in Germany, Slovakia, the Czech Republic, Spain and Brazil. In addition, KROMI is also active in eight other European countries. On the Internet at: www.kromi.de

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