

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

2021/22 Half-Year Financial Statements of the KLINGELNBERG Group (SIX: KLIN)

- KLINGELNBERG deals with severe damage from flooding at Hückeswagen site
- Order intake increases by one third/order backlog almost doubled
- Sales lower due to flood disaster
- Financial burdens resulting from flooding are manageable
- Liquidity is ensured

Zürich/Switzerland, 17 November 2021 – **The KLINGELNBERG Group (SIX: KLIN), a leading global manufacturer of high-tech gear technology for a wide range of industries, looks back on what was probably the most difficult first half-year in the company's history. While the company was still able to report in March and June that KLINGELNBERG had impressively mastered the severe crisis resulting from the global economic downturn and the immediately following worldwide challenges around the Covid-19 pandemic, a local disaster ruined the successful start of the year. On 14 July 2021, torrential rain affected several areas in the western part of Germany. Within only a few hours, whole areas were flooded, houses swept away, bridges destroyed, entire villages and towns devastated. Hückeswagen, the KLINGELNBERG Group's most important production site with around 750 employees, is located in one of the affected areas. The damage was enormous. Thanks to the great and joint efforts of the majority shareholder, the Board of Directors, the Executive Board, the Management staff, and the employees, KLINGELNBERG was able to successfully deal with this crisis.**

Despite the disastrous circumstances, KLINGELNBERG was still able to achieve significant success in its markets. In the first half of the financial year from 1 April 1 to 30 September 2021, incoming orders reached EUR 114,9 million – up from EUR 83,8 million in the same period last year and an increase of EUR 31,1 million. The order backlog reached EUR 217,5 million, compared with EUR 122,9 million in the same period of the previous year. KLINGELNBERG was able to participate in particular in the expansion of wind energy in China and other regions, thus strengthening its position in the Renewable Energies segment. Significant contacts were also won in the Automotive segment, especially in the area of e-mobility.

As a result of the flood disaster, KLINGELNBERG recorded a negative EBIT of EUR 40,0 million and a net loss of EUR 42,9 million in the first half of 2021/22 financial year. Before the flooding hit

the company, KLINGELNBERG was well on its way to achieving or even exceeding the targeted profit in the high single-digit million range. The company currently estimates the amount of the damage incurred at around EUR 55 million to EUR 65 million.

According to our current outlook, KLINGELNBERG will be able to absorb the damage in the balance sheet in the current financial year. To strengthen liquidity, Credit Suisse is providing bridge financing in the amount of EUR 20 million, half of which is guaranteed by the Klingelberg family.

Jan Klingelberg, CEO of the KLINGELNBERG Group said: “Today, four months after the flooding, we are again confident about the future of KLINGELNBERG. Production and assembly operations are up and running again. Despite the extended delivery times caused by the flood, the order intake of the KLINGELNBERG Group continues to develop positively. The company's order backlog is currently higher than ever before in its history. The employees and the entire management team are working with maximum energy and full commitment to restore normal operations and customers and suppliers are supporting us to the best of their ability. So, there are good reasons to be convinced of a strong comeback of the company. We certainly are convinced, and we would like to thank all those involved in the huge efforts it took to get us back on track for their outstanding hard work and dedication. KLINGELNBERG is back on track.”

Outlook

In view of the high order backlog and the continuously high order intake, the KLINGELNBERG Group expects a positive business development. In particular, the positions acquired with their technologies – which are in high demand worldwide – in the Renewable Energies and the Automotive customer segments are having a positive impact. Due to the burdens caused by the flood disaster, the company expects an annual loss (EBIT) of EUR 30 million to EUR 40 million, as already published in the press release of 04 August 2021. A significant improvement is hardly to be expected, due to the issue of supply bottlenecks. However, in view of the high order backlog, it will certainly be possible to make up some of the losses next year. The company is more than confident of returning to profitability in the next financial year.

The complete half-year report for the 2021/22 financial year of the KLINGELNBERG Group is available on the company's website at <https://klingelberg.com/en/investors/financial-reports>.

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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).

Disclaimer

This release contains forward-looking statements that may involve certain risks, uncertainties and changes that are not foreseeable and beyond the control of the KLINGELNBERG Group. Therefore, the KLINGELNBERG Group does not make any representations regarding the correctness of such forward-looking statements, their effect on the financial situation of the KLINGELNBERG Group or the market in which shares and other securities of the KLINGELNBERG Group are traded.

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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