

Ad-hoc Announcement

Klöckner & Co SE
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Klöckner & Co intends to sell four European country organizations to strengthen focus on higher value-added business and streamline portfolio

Duisburg, Germany, December 22, 2023, 8:37 am CET – Klöckner & Co intends to sell parts of its European commodity distribution business. In this regard, the company has received an irrevocable offer by the Spanish Hierros Añon S.A. today that comprises all relevant terms and conditions regarding an acquisition of the country organizations in France, the United Kingdom, the Netherlands, and Belgium.

With the proposed transaction, the Management Board of Klöckner & Co would continue to prioritize businesses with higher value-added products and services along the value chain of its customers like processing and fabrication services. These offers have higher profitability and more stable demand due to the long-term contractual relationships and strong customisation associated with the higher value-added business. The proposed sale would significantly reduce the company's dependence on volatile commodity markets. Going forward, Klöckner & Co will continue to concentrate on the growth of its biggest market in North America and its attractive European activities in Germany, Austria, and Switzerland (DACH).

The country organizations in France, the United Kingdom, the Netherlands, and Belgium employed around 1,500 people as of September 30, 2023. In the first nine months of 2023, these businesses collectively contributed €621 million in sales, representing about 10% of Klöckner & Co's total sales volume. In the same reporting period, EBITDA before material special effects reached a negative €19 million and total assets of around €552 million. The proposed transaction is expected to have a considerably positive impact on the Group EBITDA before material special effects from the financial year 2024 onwards. In addition, the company expects a one-time negative effect on the Group equity of around €210 million based on the current equity of the organizations and further deconsolidation effects. However, the equity ratio of the remaining Group is expected to increase to approximately 51%.

The proposed transaction is subject to information and consultation procedures with the relevant employee representative bodies, as well as the customary regulatory approvals and closing conditions. Closing, after an acceptance of the irrevocable offer, is expected to take place in the first half of 2024.

For the definitions of EBITDA and EBITDA before material special effects reference is made to our homepage (accessible via <https://www.kloeckner.com/en/glossary/>) and/or the annual report 2022, p. 37 (accessible via <https://www.kloeckner.com/en/investors/publications/>).

Issuer: Klöckner & Co SE, Am Silberpalais 1, 47057 Duisburg, Germany

The shares of Klöckner & Co SE are admitted to trading on the regulated market segment (Regulierter Markt) of the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) with further post-admission obligations (Prime Standard). Klöckner & Co shares are listed in the SDAX®-Index of Deutsche Börse.

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