



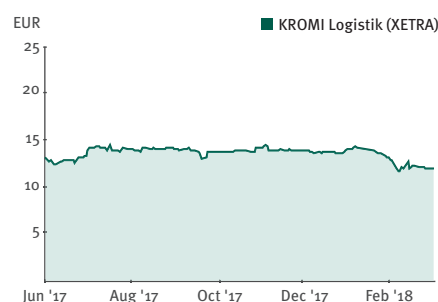
9-month report 2017/2018

Key share data 9M 2017/2018

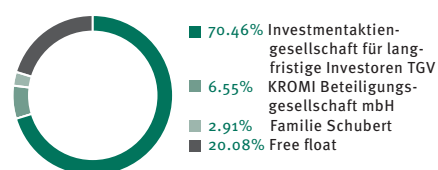
| | |
|---------------------------------------|-----------------------|
| Ticker / ISIN | K1R / DE000AOKFJ5 |
| Number of shares | 4,124,900 |
| Closing price (31/3/2018)* | EUR 12.20 |
| High / low* | EUR 15.00 / EUR 11.70 |
| Market capitalisation (31/3/2018)* | EUR 50,323,780 |

* Closing prices, XETRA trading system of Deutsche Börse AG

Share chart



Shareholder structure



Events

| | |
|------------|---|
| 28/09/2018 | Publication of annual financial report |
| 08/11/2018 | Publication of quarterly financial report (Q1 reporting date) |
| 05/12/2018 | Annual General Meetings of Shareholders |

Dear Shareholders, employees and business partners,

The agreement on the modalities for terminating the supply contract with a major customer has had a considerable negative impact on our quarterly result and on our forecast for the current financial year. We had been expecting to see a clear and steady improvement in operating results (EBIT) by comparison with the previous year. Contrary to our original expectations, however, the termination of the supply contract with a major customer has had a significantly negative, one-off impact on the gross profit margin and thereby on KROMI's operating results. For the financial year 2017/18, we are now expecting operating earnings to come in at breakeven or to show a slight profit before extraordinary, non-operating items resulting from foreign currency translation and the provision in connection with the departure of former Chairman Jörg Schubert. In terms of sales in 2017/18, we are still forecasting growth in the upper single-digit percentage range by comparison with the previous year.



LTR: Uwe Pfeiffer, Bernd Paulini, Axel Schubert

We continue to see high business potential for our attractive business model in the countries in which we operate. We managed to boost sales by around 14 percent year-on-year to KEUR 61,765 in the first nine months of 2017/18. EBIT in the reporting period stood at KEUR -23. Operating earnings, i.e. our EBIT adjusted to take account of the non-operating effects with no impact on the cash position, was up by 32 percent to KEUR 1,679 despite the margin loss from the contract termination. Together with the Supervisory Board, we in the management team have put a new slant on our mission statement and strategy to enable us to exploit market potential even more efficiently in the future. We intend to focus even more intently on maximizing customer benefits in our actions, while at the same time on offering our staff the scope for entrepreneurial action. At KROMI, we see ourselves as innovative technology specialists in optimizing the deployment of tools in machining operations, independent of any particular manufacturer. In order to obtain the greatest possible benefits for our customer, we make a detailed analysis of the customer's processes and data, identify improvement potential and thereby incorporate tool supply with all requisite services to achieve the best possible effects. As a trustworthy and transparent partner to industry, we at KROMI therefore combine machining technology, data management and lean procurement and logistics processes to form a winning overall solution. In implementing this renewed orientation, we are targeting further organic growth in the coming years, focused on our core markets in Central Europe and Brazil.

Overview of key Group indicators (IFRS)

| TEUR | 9M 2017/2018 (1/7/17 – 31/3/18) | 9M 2016/2017 (1/7/16 – 31/3/17) |
|--|------------------------------------|------------------------------------|
| Revenue | 61,765 | 54,269 |
| Operating profit or loss (EBIT) | -23 | 1,659 |
| Operating earnings ¹ | 1,679 | 1,277 |
| Earnings before tax (EBT) | -309 | 1,348 |
| Consolidated net result | -660 | 952 |
| Number of shares in the reporting period | 4,124,900 | 4,124,900 |
| Earnings per share in EUR | -0.16 | 0.23 |
| Equity ratio in % | 50.3 | 48.7 |
| Cash flow from normal operations | 2,510 | -5,383 |
| Cash flow from investing activities | -480 | -719 |
| Cash flow from financing activities | -2,157 | 5,113 |
| Employees at end of period (excluding Managing Board) | 181 | 169 |

¹ EBIT adjusted for non-operating items not impacting the cash position

Notwithstanding the described negative one-off effects, numerous and promising dialogs with potential new customers have reinforced our belief that an increasing number of companies are discerning and appreciating the benefits of working with KROMI. As data managers with an entrepreneurial and technical understanding of our customers, we see ourselves as excellently positioned, particularly with regard to Industry 4.0.

At KROMI, we are endeavouring to put leadership and enterprise even more sustainably at the heart of our daily actions, and single-mindedly

drive technology and innovation for the benefit of our customers. Along with our customers, staff and suppliers, we look forward to shaping the future together.

Your management team

Bernd Paulini Uwe Pfeiffer Axel Schubert

Economic and sector-specific framework conditions

The Kiel Institute for the World Economy (IfW) paints a positive picture of global economic developments. Global economic output is expected to rise from 3.9 percent in the previous year to 4.0 percent this year, and the assumption for next year is for slightly lower growth of 3.8 percent. The economic recovery is also holding up in the Eurozone with GDP growth rates of 2.4 percent this year and 2.1 percent in the coming year. With a look to Germany, the IfW economists are expecting growth of 2.5 percent in 2018 and a further healthy increase of 2.3 percent in the year thereafter. Economic experts are forecasting GDP growth of 1.2 percent for Brazil in 2018. This growth rate is likely to rise further to 2.3 percent in 2019.

According to information published by the German Engineering Federation (VDMA), growth in the precision tools industry is very encouraging. In 2017, the industry as a whole generated a sales increase of 7 percent, while manufacturers of machining tools also posted a rise of 7 percent.

The VDMA is expecting further growth for this sector of around 5 percent in 2018. Long-term positive growth is to be expected in the aerospace industry. In its current passenger forecast, the UN aviation authority IATA is predicting annual passenger growth of 3.6 percent. By 2036, airline passengers are likely to nearly double from 4 bn this year to 7.8 bn. According to information released by the German Association of the Automotive Industry (VDA), steady growth is to be expected in the automotive industry. The Association is forecasting the number of units sold in the global automobile market to grow by one percent in 2018. According to the VDA, China and India, in particular, will post positive growth, while the Russian and Brazilian markets Brazil continue to recover. With regard to Germany, the Association is forecasting sales at the level of the previous year with 3.4 million new car registrations.

Business development

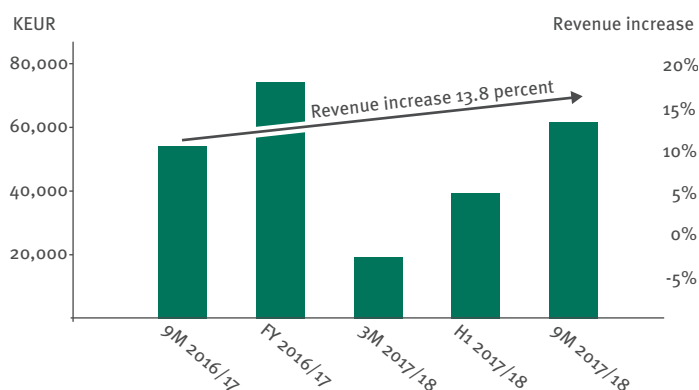
Sales growth

KROMI Logistik was able to increase sales in the reporting period to KEUR 61,765 (previous year: KEUR 54,269). Growth in all the major sectors contributed towards the increase in sales of 13.8 percent which meant that KROMI Logistik grew considerably faster than the market.

Sales in its home market in the first nine months of 2017 / 2018 were up by 11.6 percent, increasing from KEUR 33,051 in the previous year to

KEUR 36,887. Sales outside of Germany also displayed healthy growth. Sales in European countries outside Germany reached EUR 19,358 which represented an increase of around 11.4 percent over the previous year (KEUR 17,372). This trend was also evident in Brazil where KROMI was able to raise sales by 43.5 percent from KEUR 3,846 in the previous year to KEUR 5,520.

Revenue increase



- Reporting a 13.8 percent sales increase, KROMI posted significantly higher growth than the market.
- Once again, significant sales growth of 43.5 percent (EUR) in Brazil was recorded (BRL: 57.1 percent).

Expenditure items and depreciation

The cost of materials increased to KEUR 47,467 (previous year: KEUR 40,821), leading to a higher cost of materials ratio of 76.9 percent in the reporting period (previous year: 75.2 percent). This results in a corresponding deterioration in the gross margin on sales (gross profit margin) of 23.1 percent (previous year: 24.8 percent). This development is due essentially to the modalities for terminating the supply contract with a major customer.

Personnel costs were up from KEUR 7,934 in the same period in the previous year to KEUR 9,419. The personnel cost ratio increased slightly to 15.2 percent (previous year: 14.6 percent). Personnel costs contain a one-off extraordinary item in the form of a provision not affecting the cash position following on from the departure of former Chairman of the Board Jörg Schubert. Adjusted to take account of this extraordinary item, the personnel cost ratio declined to 13.4 percent.

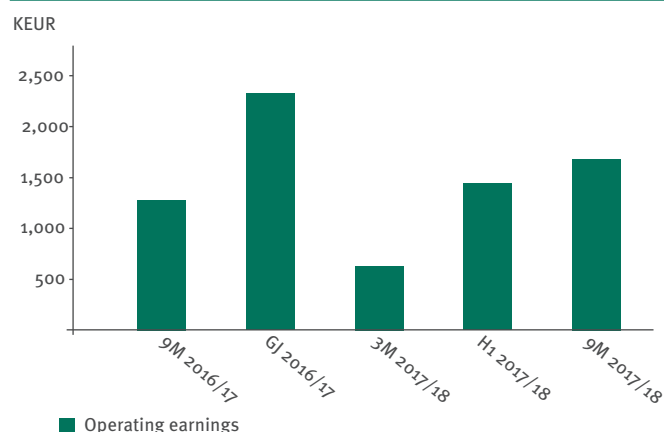
Depreciation amounting to KEUR 602 was slightly below the level for the previous year, following KEUR 625 in the first nine months of 2017/2018. Other operating expenses increased to KEUR 4,815 (previous year:

KEUR 3,908). Among other things, this item also contains unrealized exchange rate losses amounting to KEUR 568 (previous year's exchange rate gains: KEUR 382) which do not result from business transactions but from imputed currency translation of the parent company's investment with regard to its Brazilian subsidiary and which therefore also has no impact on the cash position.

Operating profit and consolidated earnings

KROMI Logistik recorded a 31.5 percent improvement in its operating result (EBIT) for the first nine months of 2017 / 2018, posting a figure adjusted to take account of non-operating items with no impact on the cash position of KEUR 1,679 following an operating result of KEUR 1,277 in the previous year. EBIT stood at KEUR -23 following KEUR 1,659 in the previous year. These changes are due to the aforementioned unscheduled provision for personnel costs and imputed currency translation losses of KEUR 568 (previous year: currency gains of KEUR 382). Taxes on income fell to KEUR 351 (previous year: KEUR 396). Overall, this resulted in consolidated earnings for the first nine months of 2017 / 2018 KEUR -660 (previous year: KEUR 952).

Earnings before interest and taxes*



- Operating earnings 31.5 percent above the level of the previous year.

* EBIT adjusted to take account of non-operating items not impacting the cash position

Supplementary report

On April 6, the company announced that the Management Board had adjusted its earnings forecast for the current financial year 2017/18 in the course of determining its provisional figures for the third quarter 2017/18. In the assessment of the Management Board, termination of the supply contract with a major customer is having a significantly negative effect on the gross profit margin and thereby on the company's operating earnings in contrast to its original expectations.

Apart from this, no events of special significance have occurred since the end of the reporting period.

Outlook

With a look to the 2017/2018 fiscal year, the Managing Board is assuming stable year-on-year sales growth in the upper-single-digit percentage range, as for the previous year. As a consequence, the Group's plan outpaces the VDMA's forecast range of 3 percent for the precision tools sub-segment in calendar 2017. Due to

the termination of the supply contract with a major customer, the Management Board is expecting a markedly negative impact on the gross profit margin for the financial year 2017/18 - in contrast to its original assumption. Consequently, the Management Board is now assuming that operating earnings for the financial year 2017/18 before extraordinary, non-operating items resulting from currency translation and the provision in connection with the departure of former Chairman Jörg Schubert, will come in at break-even or show a slight profit. Moreover, efficiency boosting measures in warehousing stock, inventory turnover as well as outstanding debtor periods and levels, have been defined and are being implemented. With regard to the current year, the Board is therefore expecting to see these supporting metrics take a slight turn for the better.

Risks and opportunities report

There are no major changes to the statements made regarding risks and opportunities for KROMI which were described in detail in the management report in the consolidated financial statements as at June 30, 2017.

Balance sheet (unaudited)

| Assets | | |
|---------------------------------|---------------|---------------|
| KEUR | 31/3/2018 | 30/6/2017 |
| Non-current assets | | |
| Intangible assets | 609 | 555 |
| Property, plant and equipment | 3,456 | 3,541 |
| Other non-current assets | 1,443 | 1,338 |
| Deferred taxes | 709 | 722 |
| Total non-current assets | 6,217 | 6,156 |
| Current assets | | |
| Inventories | 19,282 | 21,244 |
| Trade receivables | 21,832 | 20,320 |
| Other current receivables | 276 | 802 |
| Income tax assets | 788 | 3 |
| Cash and cash equivalents | 548 | 675 |
| Total current assets | 42,726 | 43,044 |
| | 48,943 | 49,200 |

| Liabilities | | |
|--------------------------------------|---------------|---------------|
| KEUR | 31/3/2018 | 30/6/2017 |
| Equity | | |
| Subscribed capital | 4,125 | 4,125 |
| Share premium | 15,999 | 15,999 |
| Retained earnings | 1,007 | 1,007 |
| Other reserves | 1,088 | 780 |
| Net retained profits | 2,462 | 3,116 |
| Equity attributable to shareholders | 24,681 | 25,027 |
| Minority interests | -56 | -50 |
| Total Equity | 24,625 | 24,977 |
| Total non-current liabilities | | |
| Provisions for pensions | 2,432 | 2,316 |
| Non-current interest-bearing loans | 825 | 900 |
| Other non-current liabilities | 69 | 110 |
| Deferred taxes | 36 | 34 |
| Total non-current liabilities | 3,362 | 3,360 |
| Current liabilities | | |
| Income tax liabilities | 319 | 318 |
| Other interest-bearing loans | 11,128 | 12,908 |
| Trade payables | 5,579 | 5,305 |
| Other current liabilities | 3,930 | 2,332 |
| Total current liabilities | 20,956 | 20,863 |
| Total liabilities | 24,318 | 24,223 |
| | 48,943 | 49,200 |

Income statement (unaudited)

| KEUR | Q3 2017 / 2018 (1/1/18 – 31/3/18) | Q3 2016 / 2017 (1/1/17 – 31/3/17) | 9M 2017 / 2018 (1/7/17 – 31/3/18) | 9M 2016 / 2017 (1/7/16 – 31/3/17) |
|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Revenue | 22,430 | 20,286 | 61,765 | 54,269 |
| Other operating income | 108 | 208 | 515 | 678 |
| Cost of material | 18,025 | 15,415 | 47,467 | 40,821 |
| Staff costs | 2,735 | 2,611 | 9,419 | 7,934 |
| Depreciation / amortisation | 168 | 220 | 602 | 625 |
| Other operating expenses | 1,459 | 1,296 | 4,815 | 3,908 |
| Profit from operations | 151 | 952 | -23 | 1,659 |
| Finance costs | 89 | 106 | 303 | 340 |
| Other financial income | 7 | 3 | 17 | 29 |
| Earnings before tax | 69 | 849 | -309 | 1,348 |
| Income taxes | 86 | 254 | 351 | 396 |
| Company net profit / loss | -17 | 595 | -660 | 952 |
| attributable to owners of the parent | -15 | 594 | -654 | 950 |
| minority interests | -2 | 1 | -6 | 2 |

Cash flow (unaudited)

| KEUR | 9M 2017 / 2018 (1/7/17 – 31/3/18) | 9M 2016 / 2017 (1/7/16 – 31/3/17) |
|---|--------------------------------------|--------------------------------------|
| Operating activities | | |
| Consolidated earnings | -660 | 952 |
| + Income tax expenses | 351 | 396 |
| + Interest expenses and interest income | 286 | 311 |
| +/- Depreciation / Write-ups on fixed assets | 527 | 625 |
| +/- Income taxes paid | -606 | -419 |
| +/- Increase / Decrease of provisions | 1,359 | -459 |
| +/- Decrease / Increase of inventories | 1,962 | -1,053 |
| +/- Decrease / Increase of trade receivables | -1,512 | -4,068 |
| +/- Decrease / Increase of other assets | -91 | 941 |
| +/- Increase / Decrease trade payables | 274 | -2,561 |
| +/- Increase / Decrease of other equities and liabilities | 620 | -48 |
| Cash flow from operating activities | 2,510 | -5,383 |
| Cash flow from operating activities | | |
| – Payments for the acquisition of non-current assets | -497 | -748 |
| + Payments from interests | 17 | 29 |
| Cash flow from investing activities | -480 | -719 |
| Financing activities | | |
| + Cash inflow from borrowings | -1,779 | 5,528 |
| – Cash flow from borrowings | -75 | -75 |
| – Cash paid for interest | -303 | -340 |
| Cash flow from financing activities | -2,157 | 5,113 |
| Cash change in cash and cash equivalents | -127 | -989 |
| + Cash and cash equivalents – start of period | 675 | 1,550 |
| Cash and cash equivalents – end of period | 548 | 561 |

Imprint

Publisher

KROMI Logistik AG
Tarpenring 11
22419 Hamburg
Germany

Telephone: +49 40 53 71 51 – 0
Telefax: +49 40 53 71 51 – 99

Email: info@kromi.de
Internet: www.kromi.de

Investor Relations

cometis AG
Claudius Krause
Unter den Eichen 7
65195 Wiesbaden
Germany

Tel.: +49 611 20 58 55 – 28
Fax: +49 611 20 58 55 – 66

Email: krause@cometis.de
www.cometis.de

Concept, Editors, Layout & Design

cometis AG

The 9-month report is also available in English. In the case of discrepancies, the German version shall prevail. The digital versions of the Annual Report of KROMI Logistik AG as well as the interim reports are posted on the Internet and are available at www.kromi.de under the Investor Relations heading.

Disclaimer

This report includes forward-looking statements that reflect the current views of KROMI Logistik AG's management with regard to future events. As a rule, these are shown by words such as "should", "expect", "assume", "anticipate", "intend", "estimate", "aim", "have the aim of", "forecast", "will be", "desire", "outlook", and similar expressions. Forward-looking statements are based on the currently valid budget, estimates and expectations. They are subject to risks and uncertainties that are difficult to estimate and outside KROMI Logistik AG's control.

These also include factors that have an impact on costs and income, for example, regulatory requirements, competition that is more intense than expected, changes in technology, litigation, and development under supervisory law. If these or other risks and uncertainties should occur, or if the assumptions on which the statements in this report are based prove to be incorrect, the actual results of KROMI Logistik AG could differ greatly from the results that are expressed or implied in the statement. KROMI Logistik AG does not assume any guarantee that the forward-looking expectations and assumptions included in this report will actually occur. In addition, KROMI Logistik AG declines all responsibility for updating forward-looking statements by taking into account new information or future events.