

K E N D R I O N N . V .**P R E S S R E L E A S E****7 A p r i l 2 0 2 0****Update on the impact from COVID-19 on Kendrion**

- **Strict operating procedures implemented to ensure production continuity in safe and responsible manner**
- **Measures taken to further enhance financial resilience**
- **Proposal for payment of dividend withdrawn as a precautionary measure to preserve cash position**
- **Confidence in strong liquidity position and post-COVID business outlook**

Until recently, the adverse impact on revenues and profitability because of the COVID-19 pandemic has been limited. With the decision by most car manufacturers to temporarily discontinue production, we do observe a negative impact on revenues and order intake in Europe and the U.S. for our Automotive business going forward. Our Industrial businesses and operations in China have seen less of an impact so far. At the moment it is too early to assess the consequences for Kendrion's financial performance as there is limited visibility into the magnitude and duration of the crisis.

Kendrion's priority is the health and safety of its employees, their families and all other stakeholders. We have implemented a strict operating procedure to continue production in all our factories around the world in a safe and responsible way. This procedure includes as many employees as possible working from home, the strict separation of production shifts, maximising the social distance between colleagues, additional cleaning and disinfecting of relevant surfaces, temperature screening and the use of face masks in our factories, where available.

We have taken a range of measures to reduce costs and protect our financial position and liquidity. Short-time work has been put to effect in several of our European facilities and Kendrion's management has agreed to a temporary salary reduction. Discretionary spending has been limited and we have suspended all uncommitted and non-essential capital expenditure. Kendrion will make full use of any relevant facilities or arrangements provided by the various national authorities to assist companies through the COVID-19 crisis, including deferred payment of taxes to further increase financial resilience.

Kendrion's liquidity remains strong with around EUR 15 million cash and EUR 50 million undrawn committed facilities. Given the lack of visibility over the likely duration of the pandemic, and to further protect our cash position, we will withdraw the proposal to pay dividends of EUR 0.25 cents per ordinary share.

Kendrion's product pipeline is healthy and the work on all future products continues. We have a robust liquidity position and are confident we can withstand the pressure currently being applied to our business. Despite the current unprecedented economic situation, Kendrion remains positive about its business fundamentals, with its main objective to deliver sustainable, profitable growth.

Kendrion will provide a further update to the market and publish its Q1 results on 5 May 2020.

Profile of Kendrion N.V.

Kendrion develops, manufactures and markets high-quality electromagnetic systems and components for industrial and automotive applications. For more than a century, we have been engineering precision parts for the world's leading innovators in passenger cars, commercial vehicles and industrial applications. As a leading technology pioneer, Kendrion invents, designs and manufactures complex components and customised systems as well as local solutions on demand.

We are committed to the engineering challenges of tomorrow, and taking responsibility for how we source, manufacture and conduct business is embedded into our culture of innovation. Rooted in Germany, headquartered in the Netherlands and listed on the Amsterdam stock exchange, Kendrion's expertise extends across Europe, to the Americas and Asia. Created with passion and engineered with precision.

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The Executive Board

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