



March 13, 2020

Dear Krones Customer,

We are all following the current spread of the coronavirus with great attention and hope for an end soon. Coronavirus updates are available almost every hour, and governments and public authorities are constantly issuing new recommendations and orders to contain the spread of the infection. Krones, too, has already taken numerous measures in order to both maintain business as usual as close to possible, and protect staff members and customers from the risk of contagion.

Krones' procurement strategy

For years now, Krones has been pursuing a purchasing strategy based on multiple sourcing. We are benefiting from this forward-looking approach, as it minimizes the risk of bottlenecks in the supply of parts. It is more likely to influence supply capabilities in the OEM sector. This concerns third-party machines and services sold through Krones as a contractual partner. But here, too, with our global network, we try to minimize the effects for our customers. However, we cannot completely rule out the possibility that impairments may still occur.

Deliveries to our customers

When shipping machines, components or other parts, we are dependent on the relevant authorities. In the meantime, we are confronted with restrictions in air traffic and increasingly also in sea freight, as for example flights may be cancelled or delays in customs clearance may occur. The consequences are capacity bottlenecks at our logistics partners – which in the worst-case scenario can also lead to delays in transport.

- **Please understand that we cannot make any general statements about delivery status or possible delays. If you have any questions about your current project status or the status of planned or already dispatched shipments, please get in touch with your Krones sales contact.**

Travel to and from official risk areas

Immediately after the rapid spread of the coronavirus became known, Krones decided on comprehensive, group-wide measures. These include travel bans in the regions officially designated as risk areas by the German Robert Koch Institute, and appropriate quarantine precautions for employees who have been in regions particularly affected by the coronavirus. If there is any suspicion, Krones has defined a continuous chain of measures to prevent further spread.

Deployment of Krones service technicians

Naturally, Krones does everything it can to ensure that all on-site visits to its clients are as reliable as possible. Our regional/local setups and remote support possibilities provide an excellent foundation for that. However, due to the rapid spread of the virus and frequently changing regulations, we anticipate that restrictions on freedom of travel will impair our business operations – especially when it comes to service assignments. We will inform you accordingly if necessary.

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You can be assured that Krones is always striving to provide maximum service and support for our business partners worldwide. At the same time, we take great care to protect the health of our employees and customers. However, we ask for your understanding if delays or inconveniences occur due to the current situation.

For more detailed information please get in touch with your known contacts at Krones. They will inform you immediately should the coronavirus spread affect one of your projects or sites.

Sincerely,

A handwritten signature in black ink that reads 'Timothy A. Raymond'.

Timothy Raymond
EVP, Sales & Marketing
Krones Inc.