

CEO STATEMENT REGARDING COVID-19

UPDATE ON GRAPHIT KROPFMUEHL'S GLOBAL OPERATIONS

STAND: 29TH JULY 2020

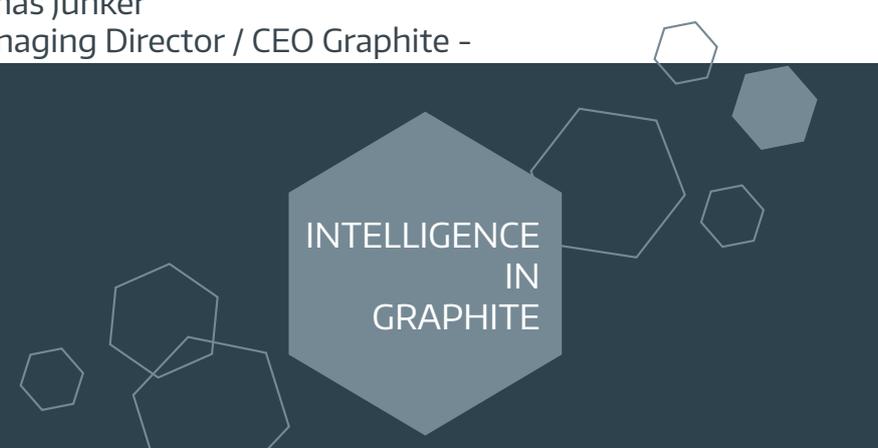
Dear valued Customers and Business Partners,

We are highly committed to the safety of our employees, suppliers and customers. Due to the further spreading of the Corona virus, we would like to keep you updated on the status of our operations.

- › Raw material availability within GK continues to be stable. Our operation in Mozambique is still subject to nationwide corona-based restrictions which have recently been defused a bit. This now allows us to slowly increase producing and mining in the following weeks.
- › The general state of emergency in the country expires at the end of the month and cannot be extended. Business people from (corona-) safe countries are still allowed to travel to the country. The situation in neighbouring South Africa, from where many of the auxiliary and operating materials and spare parts come, is critical. The border will remain closed for travellers until further notice.
- › As we continue to hold large quantities of Anacuabe graphite both in Europe and Africa in stock, no shortage is expected in the foreseeable future. In Sri Lanka, the curfew has been lifted. The situation is realxing accordingly. Our mine is back in operation since April 2020, but with a reduced team. The processing continues as before. Export of goods and import of operating supplies are still carried out with a time delay. Logistic problems are solved by storing sufficient material in Germany.
- › Measurements to reduce the risk of our people have been put in place at all sites globally. As people now work in shifts and some from home, you might experience a slight delay in response. Please be assured that we will take care of your matter and come back to you as soon as possible.
- › We hope for your understanding as this is to keep everyone safe. In case of questions you can reach us under our regular contact details globally.

Stay healthy and safe,

Thomas Junker
- Managing Director / CEO Graphite -



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