

Press Release

Klöckner & Co SE
Am Silberpalais 1
47057 Duisburg
Germany

Phone: +49 203 307-0
Internet: www.kloeckner.com

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Axel Springer hy and Klöckner & Co forge strategic alliance

- Two digital transformation trailblazers join forces
- Close cooperation to provide consulting services to leading companies
- One-stop shop for analysis, cultural change, strategy, company building, platform building, investing and venturing

Berlin/Duisburg, Germany, January 14, 2019 – Two successful trailblazers in the field of digital transformation have entered into a strategic partnership with immediate effect. Axel Springer hy and Klöckner & Co, through its digital unit kloeckner.i, will in the future work together to offer selected services, creating a unique consulting service provided by entrepreneurs for entrepreneurs. Axel Springer and Klöckner & Co have realigned their respective businesses to meet the demands of the digital world with exceptional success. Both companies are pioneers and role models in the field of digital transformation and have now joined forces to share with other companies what they have learned. The partners bring complementary strengths to this new alliance.

Axel Springer generates more than 80% of its operating profits through digital offerings. These include numerous disruptive platforms that enjoy success across the globe. Set up in early 2017, Axel Springer hy is an Axel Springer SE Group company. The Axel Springer hy experts assist businesses with their digital and cultural transformation as well as in developing and implementing their strategy. Through kloeckner.i, Klöckner & Co has forged ahead with its own digital transformation, to the extent that digital channels already account for around a quarter of Group sales. The Company plans to increase this to 60% by 2022. In addition, Klöckner launched the XOM Materials platform, which makes it possible to digitally trade in a wide range of materials. The platform is also open to the Company's competitors. Both companies effected internal cultural and organizational change in order to make these successes possible.

Axel Springer hy employs more than 40 digital experts who provide consulting services to customers outside of Axel Springer SE in the fields of analysis, strategy, cultural change, company building, investments and venturing. Since being set up in February 2017, it has handled 90 projects for 52 customers. In Berlin, almost 90 kloeckner.i employees are dedicated to the digital transformation of Klöckner & Co, as well as platform design, construction and operation. They are also responsible for driving cultural change within the Group. This team's expertise will now for the first time be available on the open market. Axel Springer hy and Klöckner's digital team will remain legally independent entities that offer their joint services to customers from a single source.

Axel Springer hy CEO Christoph Keese says of the partnership: "We are unified in our entrepreneurial approach. We at Axel Springer hy and our colleagues at Klöckner are driven by an entrepreneurial spirit and the desire to effect change. Everything we offer to our customers, we have already tried and tested ourselves – and we never stop learning. We are aware of the difficulties associated with digital transformation and will not rest until we have found the right solution for our customers. We complement our Klöckner colleagues well and are now fluent in the languages of both heavy industry and the digital sector. As a team, our aim is to score successes for our clients. We are helping to turn the 20th century's top performers into 21st century champions."

Gisbert Rühl, CEO of Klöckner & Co SE explains: "The two companies' respective capabilities are the ideal match. With kloeckner.i, we have successfully developed B2B platforms using our own team – from concept idea through design to programming – while at the same time ensuring integration with our core business. We are now giving other companies access to the knowledge we have gained as pioneers in this field, combined with Axel Springer hy's exceptional expertise. The hy team are leading consultants when it comes to disruptive strategies and their implementation within companies."

About Axel Springer hy:

A legally independent subsidiary of Axel Springer SE, Axel Springer hy GmbH was set up in early 2017 and assists businesses with their digital transformation. The Company meets the growing need for customized concepts to meet disruptive challenges and transform them into entrepreneurial successes. More than 40 digital experts support clients with strategy development and implementation as well as cultural change. Since intensive cross-company dialog has been proven to generate greater success, hy brings together entrepreneurs, innovators, investors and business leaders from traditional enterprises as part of the tech ecosystem. Spread across numerous industries, the Axel Springer hy GmbH client base spans large medium-sized companies to international groups.

Contact person at Axel Springer hy:

Christoph Keese – Chief Executive Officer

Phone: +49 30 25 91 78150

E-mail: christoph.keese@hy.co

About kloeckner.i:

To bring all projects within the Group-wide digitalization strategy together under one roof, Klöckner & Co launched kloeckner.i in 2014 – a dedicated Group Center of Competence for Digitalization in Berlin. kloeckner.i's main tasks are the development, testing and Group-wide rollout of digital solutions together with management of the Group's online marketing activities. Some 90 employees now work at kloeckner.i in the fields of product innovation and development, UX and design, online marketing, business analytics and customer care. In the future, digital consulting services will also be provided to companies outside the Group. Through integration into Klöckner & Co's proprietary B2B marketplace, kloeckner.i additionally provides consulting customers with easy entry into e-commerce.

Contact person at kloeckner.i:

Christian Pokropp, Managing Director

Phone: +49 203 307 2050

E-mail: christian.pokropp@kloeckner.com

About Klöckner & Co:

Klöckner & Co is one of the largest producer-independent distributors of steel and metal products and one of the leading steel service center companies worldwide. Based on its distribution and service network of around 170 locations in 13 countries, the Group supplies around 120,000 customers. As a pioneer of the digital transformation in the steel industry, Klöckner & Co's target is to fully digitalize its supply and service chain and to support the launch of an independent open industry platform, which it aims to make the dominant vertical platform of the steel and metals industry. Currently, Klöckner & Co has around 8,600 employees. The Group had sales of some €6.3 billion in fiscal 2017.

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. ISIN: DE000KC01000; WKN: KC0100; Common Code: 025808576.