

COMPANY ANNOUNCEMENT

Gabriel Holding A/S

Gabriel Holding A/S realized a profit before tax in April and May which exceeds the management's expectations. The expectations for the financial year 2019/20 are upwardly adjusted despite continued uncertainty and limited market visibility.

After 6 months of the financial year 2019/20 Gabriel Holding A/S expected for the entire financial year revenue of DKK 670-690 million (DKK 708 million) and profit before tax of DKK 10-15 million (DKK 69.3 million).

It was expected that the outbreak of coronavirus (COVID-19) would have an adverse effect on market conditions for the company. The expectations for the second half-year was a decline in revenue of 25-30% and a loss before tax of DKK 22-27 million.

The revenue realized in April and May corresponds to the most recent expectations, while the profit before tax is realized above the expectations. In particular, the negative effect of the decline in revenue on the Group's gross profit is less than expected, and completed adjustments in the cost base have had a larger impact effect than expected.

Against this background, and despite continued high uncertainty and limited visibility in the market, expectations for the financial year are upwardly adjusted. After 8 months a decline in revenue of 20-25% (against 25-30% in previous expectation) and a loss before tax of DKK 10-15 million (against DKK 22-27 million in previous expectation) is expected for the second half-year.

Overall, this gives an expectation for the entire financial year 2019/20 of revenue of DKK 680-700 million (DKK 708 million last year) and a profit before tax of DKK 22-27 million (DKK 69.3 million last year).

It should be noted that expectations continue to be subject to a high degree of uncertainty as the outbreak of coronavirus (COVID-19) in particular, limits the visibility of the market.