



To
our business partners

Bad Oeynhausen, 02.11.2023

Information concerning chances and risks

Dear valued business partners,

In the recent years and currently, various crises are challenging us. Pandemics, wars, costs and economic downturns drive life in our country. It was important for us to use our information letters to transparently communicate the status of our company with our business partners and to provide reassurance. In retrospect, this was successful. We have decided to continue to provide this information in this form for a short time until further notice.

As a component manufacturer for, among others, the medical technology, pharmaceutical industry and biotechnology sector, we have managed the global efforts against Covid19 well together with our business partners. Our coupling systems were needed worldwide in intensive care medicine and our hygienic fitting technology was used in the race for research and production for Covid19 drugs and vaccines.

The pandemic is under control, but further crises are still determining and in some cases there is no end in sight.

As part of our internal assessment of the general situation and the economic environment, we see the following scenarios:

- Since the population will be completely responsible for their own protection against infections for the first time in autumn and winter 2023, the number of sick people due to infectious diseases with corona symptoms and their loss in business will be high.
- In contrast to other global economies and neighboring European countries, the German economy is in a recessionary phase due to local conditions and is being held back by exogenous, unproductive formalisms.
- Cost items such as materials, machines, tools, wages and energy will only increase moderately due to inflation.
- Increased energy prices are economically and socially accepted.
- The planned hospital reform will lead to high investments in the medical sector in technology capable of providing flat-rate maintenance.
- The biotechnology market is initially showing demand saturation following the pandemic-related investments.
- Fear of the future among the population leads to a decline in consumption; price increases deplete monetary reserves.

We have never experienced such uncertainty in all economic and social spheres and also such volatility of exogenous economic variables in Germany and Central Europe. Nevertheless, we consider the German economy to be resilient enough to cope with these situations and are certain that we will survive this turbulent time together - but with severe cuts and changes.

We wish you, your families and your company all the best, health, God's blessings and a wise mind to get through this time with optimism, solidarity and tolerance.

Fritz Althoff GmbH & Co. KG