



To  
our business partners

Bad Oeynhausen, 15.06.2023

**Information concerning chances and risks**

Dear valued business partners,

Various crises have challenged us all in recent years and at the moment. Pandemic, Russia/Ukraine conflict, supply chain problems and energy costs determine economic life in Germany as an industrial location. It was extremely important for us to use this information letter to communicate the status of our company transparently with our business partners and to ensure reassurance. In retrospect, this was successful. We have decided to continue providing this information briefly in this form until further notice.

The challenge of being part of the global efforts against Covid19 as a component manufacturer for the medical technology, pharmaceutical industry and biotechnology, among others, and having the responsibility on the one hand to contribute to the maintenance of medical facilities and on the other hand the active ingredient manufacturers with laboratory and analysis devices and to support assemblies in research, development and production, we have coped well together with our business partners. Our coupling systems are required in intensive care units in all parts of the world and our hygienic components technology is used in the 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 was to be expected, on the cost side the first half of 2023 is characterized by the wage-price spiral (or actually, in this economic situation, correctly: price-wage spiral and vice versa) against the background of a shortage of skilled workers and second-round price effects. The energy price markets are calming down and energy prices are steadily falling.

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

- Cost blocks such as material, machines, tools, wages and energy will continue to rise.
- Poor material availability will continue to be noticeable for special products (raw materials, components).
- The order situation and the shortage of skilled workers in industry and crafts are still contrary to the current job market for a long time.
- High energy prices are economically and socially accepted.
- In the medical sector, the planned hospital reform will lead to high investments in technology that is eligible for upfront flat rates.
- The population's fear of the future leads to a drop in consumption; the price increases eat up 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