



To
our business partners

Bad Oeynhausen, 24.04.2024

Information concerning chances and risks

Dear valued business partners,

In the recent years and currently, various crises are challenging us. Pandemic, wars, costs and lack of economic growth drives life in our country. It was all the more important for us to use our information letters to transparently communicate the status of our company to our business partners and 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 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:

- As of summer 2024, sickness and absences in the economy will decline, but remain comparatively high.
- Cost blocks for consumer goods continue to rise due to inflation; high wage increases will still take place as a result of second-round effects; price increases for materials and energy are calming down.
- The inflation effects of recent years have been accepted and accommodated economically and socially.
- 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 showing moderate, normal growth at pre-pandemic levels.
- In contrast to other global economies and neighboring European countries, the German economy is in a recessionary phase. Fear of the future among the population leads to a decline in consumption; Price increases deplete monetary reserves.

We have neither ever experienced such uncertainty in all economic and social spheres, nor such volatility in exogenous economic variables in Germany. Although we continue to consider the German economy to be resilient, we see this current situation as a litmus test for resilience or insolvency of Germany's companies.

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