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To whom it may concern

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Reference/Letter no.

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Bad Mergentheim, 17 January 2024

Situation report on the current situation in the Red Sea

Dear Sir or Madam,

We would like to inform you about the current impact of the rebel attacks on cargo ships in the Red Sea and its consequences for our supply chains.

In response to these attacks, every major shipping company is rerouting its ships navigating between Europe and Asia through the longer route around the Cape of Good Hope and away from the Suez Canal, which extends the delivery period by an average of 12 to 14 days. Furthermore, these last-minute detours interfere with the existing schedules for vessel unloading operations at the respective ports of destination, causing further delays. These circumstances result in the return transports of empty containers being delayed as well, in consequence of which there may be a shortage of empty containers in Asia. At the same time, shipping companies are increasing their freight rates due to these circumstances, which results in a general increase in freight costs.

Despite this initial situation, we currently do not see any general risk to our supply chains or maintaining deliveries to our customers.

However, we will continue to monitor the geopolitical situation in the Red Sea closely in order to be able to respond appropriately to changes that are not yet foreseeable. For this purpose, we are in permanent exchange with our local contacts. In addition, the shipping schedules are being updated several times a week in order to monitor the delivery status of the affected items. This way, we can keep an eye on schedules and deliveries. Moreover, we can generally draw on reserves stored in our warehouse.

Should any disruption in the supply chain occur as a result of the further development of the above-described events or any other event of force majeure, we will contact you immediately and inform you about this situation on a case-by-case basis. Based on this, we will work out an appropriate solution together with you. However, we hope you will understand that due to the substantial number of our customers, we cannot answer or fill out any standardized inquiries or questionnaires on the current situation in addition to that. This letter is intended to serve this purpose. Therefore, we would kindly ask you to refrain from sending out generalized inquiries or questionnaires on the current situation.

Thank you for your understanding.

Best regards,

A handwritten signature in blue ink, appearing to read 'M. Jauss'.

Martin Jauss