

## Russia/Ukraine Conflict – Potential Influence on Supply Chain (ADMEDES Update July 2022)

Pforzheim, 4 July 2022

Dear valued business partner,

ADMEDES is currently and continuously monitoring and evaluating the impact of the Russia/Ukraine conflict on our supply chain. We are actively consulting with our suppliers and sub-suppliers about potential disturbances.

Most recently, the sustainability of natural gas supply has come up as a critical item.

### Political / national situation in Germany

In the past few weeks, the supply of natural gas has started to drop. So far, this has not had any significant negative impact to the industry yet. Germany has done and continues to do everything in its power to prevent any outages in the coming winter period. The national gas tanks are filled to 60% and are being filled further with high priority. In addition, alternative natural gas suppliers are being evaluated. In case of any shortages, system-relevant industries and companies will receive preferred treatment. ADMEDES is in contact with the authorities to make sure we will be classified in this category.

### Specific situation for ADMEDES

ADMEDES' operation is not directly dependent on natural gas (other than heating of the buildings).

A risk assessment revealed that any upcoming shortages of natural gas might affect suppliers / supplies of process chemicals. Based on this assessment, ADMEDES is currently executing three risk mitigation approaches:

- Buying and storing inventory. In order to facilitate this, internal and external storages are being extended.
- Placing long-term orders (to cover the entire year 2023)
- Extending the supplier base by qualifying additional and alternative suppliers, located in parts of the world not affected. This includes an international strategy to cover all 3 ADMEDES sites (Germany, USA, Costa Rica)

We remain at your disposal for further questions and will be in contact should the situation change.

Sincerely



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President & CEO



Frank Nauheimer  
President & CFO



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Managing Director & COO