



HOBERG & DRIESCH

July 2022

Current gas situation

Dear Sir / Madam,

at this moment in time none of the economic actors can realistically assess the impact of a total delivery stop of Russian gas and the potential repercussions on the gas supply of the German industrial base.

The emergency plan „gas“ is based on three major escalation levels.

Level 1 (early-warning phase) as well as level II (alert stage) were already declared on March 30th 2022 and June 23rd 2022 respectively. It is quite likely that the next crisis level III (emergency level) will follow. During this phase the German government is empowered to interfere with the market and to control the distribution of gas supplies. Predominantly this will have ramifications on non system-relevant companies. Steel production as well as steel distribution are two of the non system-relevant sectors.

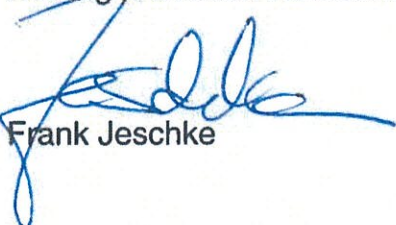
However, gas is a major energy source for the production of steel and steel tubes.

We can only assure you that the Hoberg & Driesch tube group is one of the best -assorted pipe and tube distributors in Europe. With - on average - approx. 80,000 tons of pipes and tubes in stock at any given time we carry a very high level of inventory and especially when it comes to customer focused quantities we act quite generously and forward looking. This factor will enable us to show more stamina than many other steel distributors and to ensure a comprehensive market supply.

Please do not hesitate to contact our members of staff in case of any further, more detailed questions.

Sincerely Yours,

Hoberg & Driesch Röhrenhandel GmbH



Frank Jeschke



Bernd Schüle