

## Delivery delays due to corona-restrictions

Dear Customer,

You are a valued customer of the Heppenstall Group, and some of your orders are suffering from delivery delays, due to the COVID-19 restrictions, in Switzerland and around Europe, where our production sites reside.

In this respect, we would like to inform you about our delivery plans, as follows:

Heppenstall was established 132 years ago, in Pittsburg, Pennsylvania USA, with the objective to design, develop, manufacture and supply top-of-the-line heavy-duty lifting machinery for the steel and aluminum industries.

In the course of our history, we have faced many challenges, including financial crises, wars, riots, and commercial trade tensions. Despite those challenges, we keep on serving the business sector and proudly caring the Heppenstall name.

In the last 15 years, we had considerable success: we strengthened our product-portfolio with the acquisition of Woko GmbH in Germany and Serbot AG in Switzerland. Woko GmbH is a world-wide well-known industrial player in the design, development and manufacturing of heavy-duty industrial electromagnets. Serbot AG is a globally profound innovator in the design, development and manufacturing of application robotics. As a result, the Heppenstall Group is widely recognized as the leader in the field of heavy-duty lifting equipment and machinery, with active presence in more than 70 countries and a wide-network of representatives, commercial consultants, technical advisors, and field engineers.

Since February 2020, we have been navigating the COVID-19 pandemic; a challenge that has impacted every aspect of our day-to-day life and business. The repeating lockdowns and shutdowns have had drastic impact on our supply and manufacturing operations, thus creating significant delivery delays to nearly all the running projects and open orders to our suppliers and from our customers.

Our suppliers and collaborating production sites are located in different regions of Europe, mainly in Czech Republic, Slovakia, Serbia, Italy, Switzerland and Germany. Due to the strict lockdowns and repeated "stop and go" in manufacturing, we faced problems in the procurement of materials, and fabrication of the orders. The restrictions that have been applied in the different geographic locations, in conjunction with the diverse local working norms have caused significant

delays in the readiness of the orders. Those delays have increased our cost of production, and in order for us to continue the fabrication of the orders, we had to drain resources from other activities and direct them to the financing of the projects, thus causing additional unwanted delays.

In late August 2020, we were hit by the second wave of the pandemic, and the corona cases were dramatically increased. In the following 9 months, the European governments applied strict measures to prevent the further spread of the disease. There have been periods of total shutdowns, where the manufacturing activities were ceased. Periodically, the local governments were relaxing the restrictions – to ease the impact of the measures on the economy – but later they were tightening them up again. We were forced to operate at max 25%-50% of the normal capacity. Thankfully, since mid of May 2021, we are returning back to "normality".

The created backlog of pending orders is heavy, and we are working hard to set the right priorities, and serve the orders according to a sustainable operational plan for our company. So, it will take us a bit of time to finish the fabrication of the orders and start shipping them out. The revised production and delivery plan will be finalized in the following few weeks and proper announcements will follow accordingly.

In this respect, we are grateful to you, our most valued customers, for demonstrating remarkable understanding and patience in conducting business with us throughout the entire duration of the pandemic restrictions, as well as during the period of the pandemic after-effects. You are a most essential part of our journey, and we are looking forward to continuing our work together.

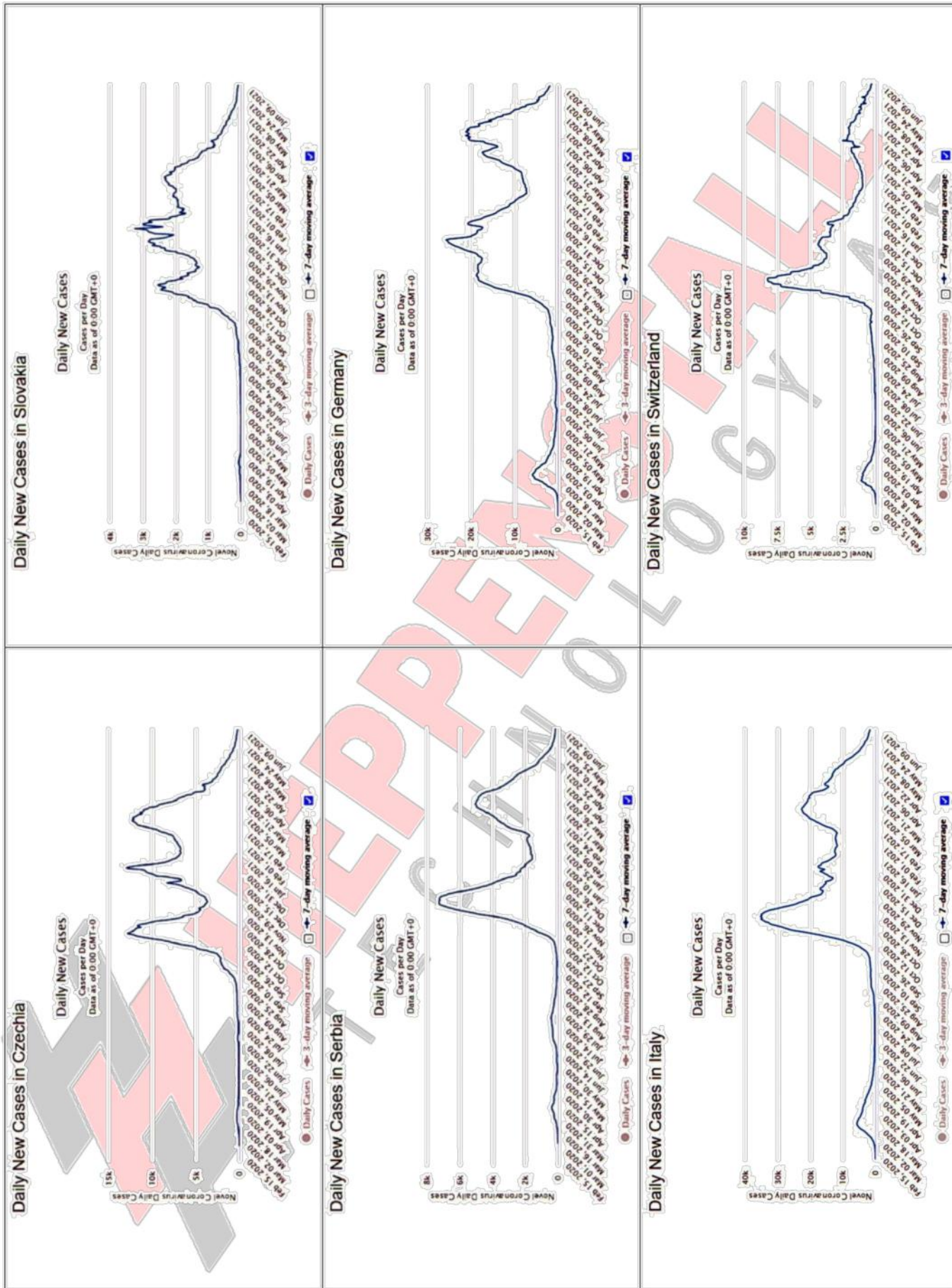
We acknowledge the importance of our customers, and for that reason we want to assure you that even when things seem to be moving slow, we are actually doing anything possible to finish the fabrication of your order(s) at the earliest feasible time, and deliver top-quality products and services.

Please, accept our sincere wishes for good health and success in your personal and professional endeavors.

Yours faithfully,  
on behalf of the Heppenstall Group,



Beat Stocker, *Managing Director*



<https://www.worldometers.info/coronavirus/>