

Customer Survey

June 2023



Dear valued
business partner,

This is already the fourth edition of our annual customer survey. On the following pages, we would like to present the results of this survey to you.

In today's business world, it is essential to obtain information about the economic situation of companies in our target industries to understand the needs and preferences of our customers. Thanks to the provided data over the past few years, we are able to gain a good understanding of the current situation in your industry and work out how we can best support you as a reliable partner.

We evaluated the survey results to gain meaningful insights and to align ourselves even more closely to your specific needs and optimize our offering as a supplier and service provider accordingly. The answers provide us with clear guidelines to remain your preferred partner and to further develop our relationship.

We hope that the evaluation of this survey will also provide you with an interesting overview of the situation in your industry environment and help you to make informed decisions that will benefit your business.

The analyses are based on a total of 2,300 responses from industry insiders. Thus, the evaluation represents a characteristic cross-section of the relevant industries in which outstanding Ex solutions are required.

Do not hesitate to contact your sales representative for all kind of business-related topics - we are always happy to provide support. For any specific questions linked to the survey, or if you require regional or segment-related input, feel free to contact us directly.

We wish you every success and all the best for the challenges that you and your company may face.

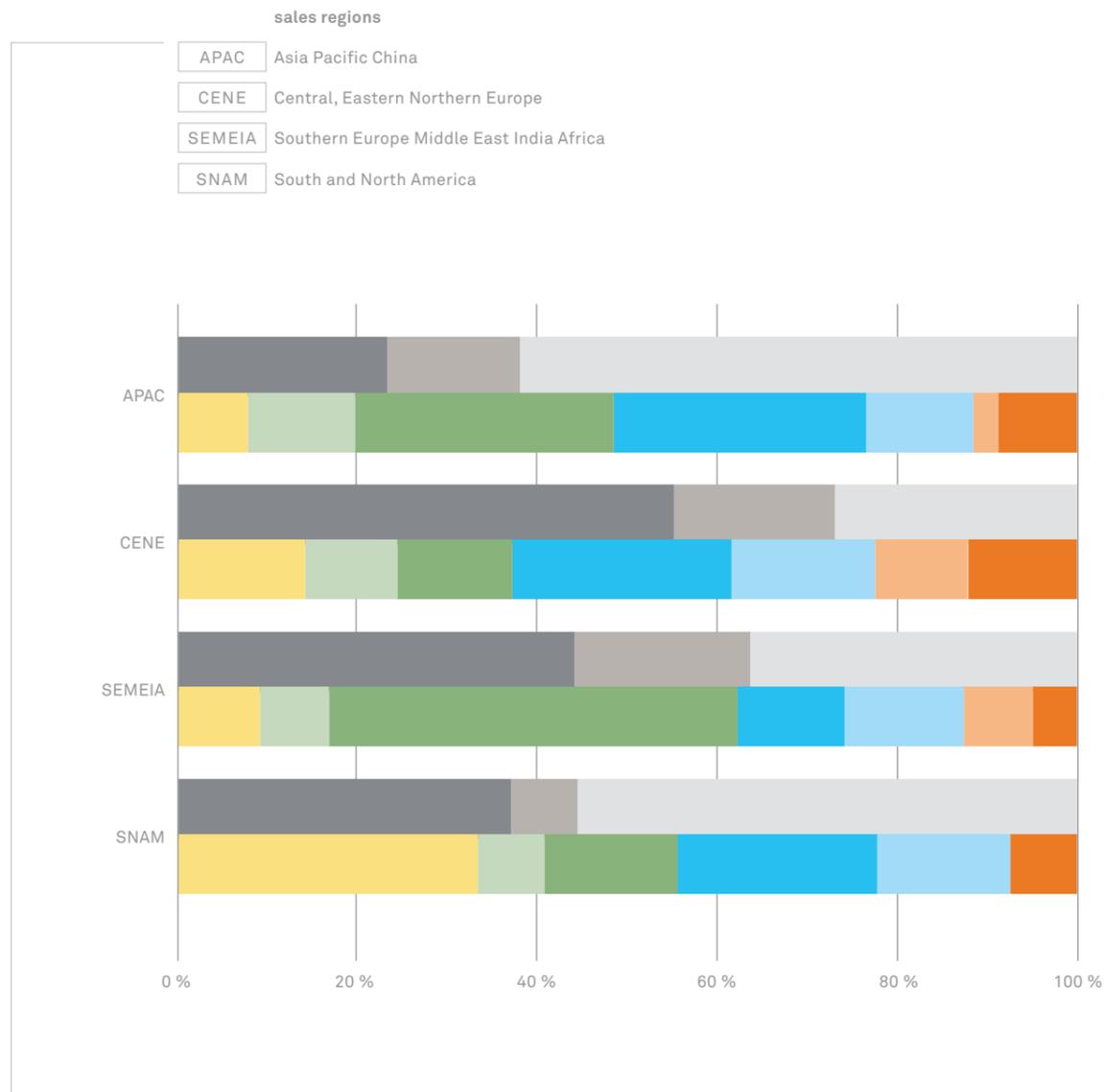
With kind regards

Philipp Klaschka
EVP Sales

Major trends and takeaways from the interviews conducted:

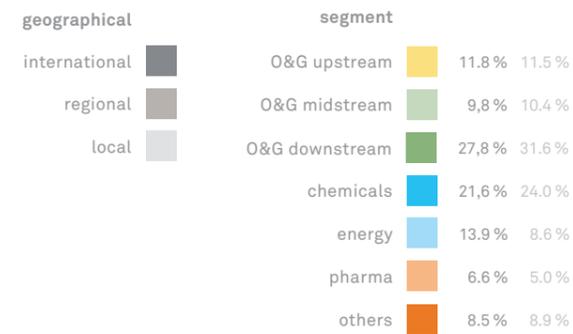
- Overall, market sentiment has improved. The customers interviewed expect their revenue to increase across all segments in CY 2023 compared to CY 2022.
- Supply chain issues and high sourcing costs are our customers' biggest challenge at the moment. BARTEC remains an excellent partner for hazardous areas.
- In addition, high energy costs are a sustainable challenge, which is why it is necessary to find new ways of supplying energy. BARTEC can support you in your projects.
- Digitization becomes more important in hazardous area. BARTEC therefore offers the right enterprise mobility solutions, including a wide range of WiFi systems.

Geographical and segment activity of study participants



BY SALES REGION

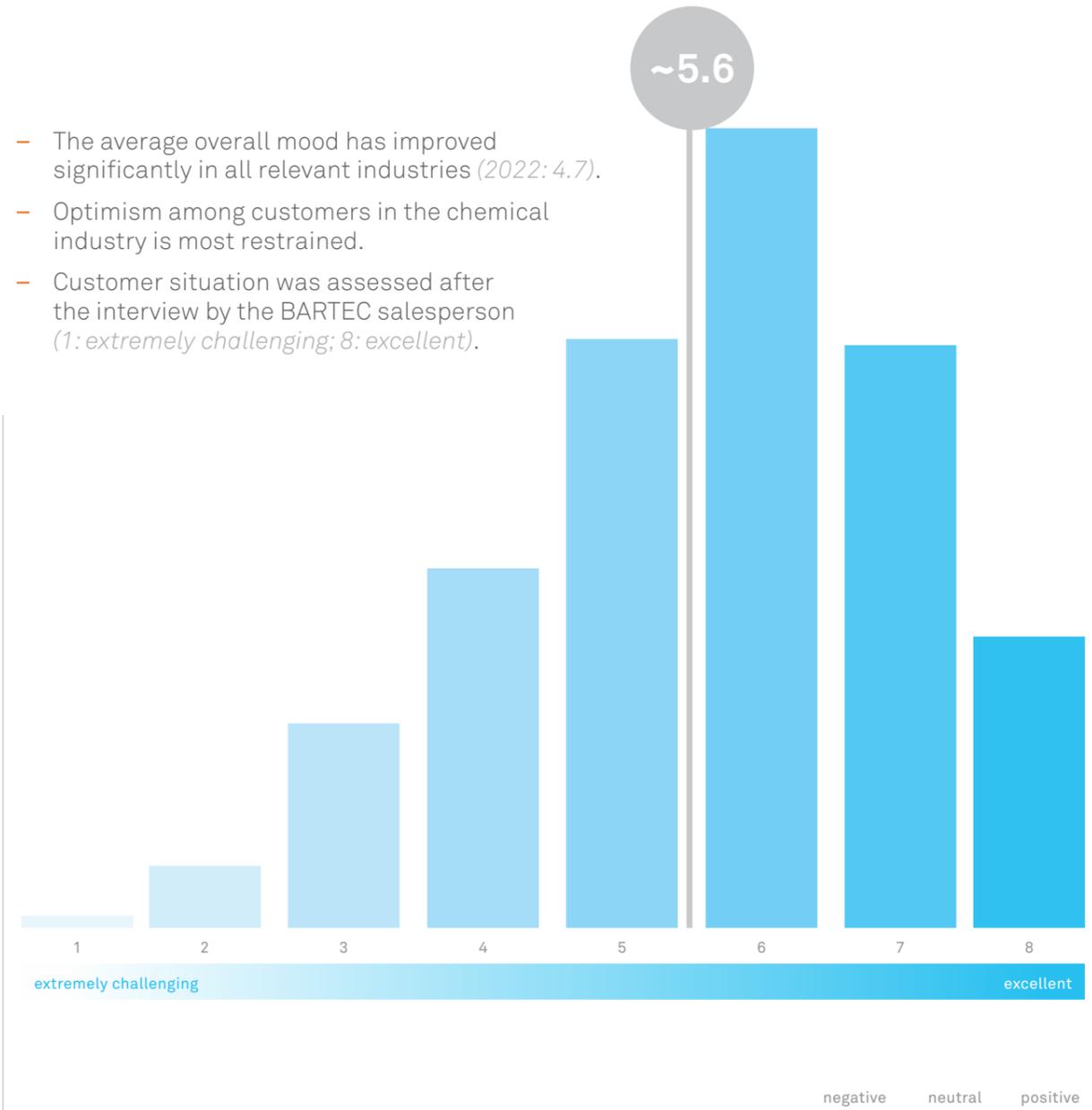
- 50 % of the interviewed customers are focused on non-oil and gas industries, the energy segment is growing fastest.
- With 62% of the interviewed customers, SEMEIA region has still the strongest spotlight on O&G companies.
- Compared to previous years, the customers have become more international oriented.



GLOBALLY
* value as of 4/2022

Evaluation of the current market situation

- The average overall mood has improved significantly in all relevant industries (2022: 4.7).
- Optimism among customers in the chemical industry is most restrained.
- Customer situation was assessed after the interview by the BARTEC salesperson (1: extremely challenging; 8: excellent).



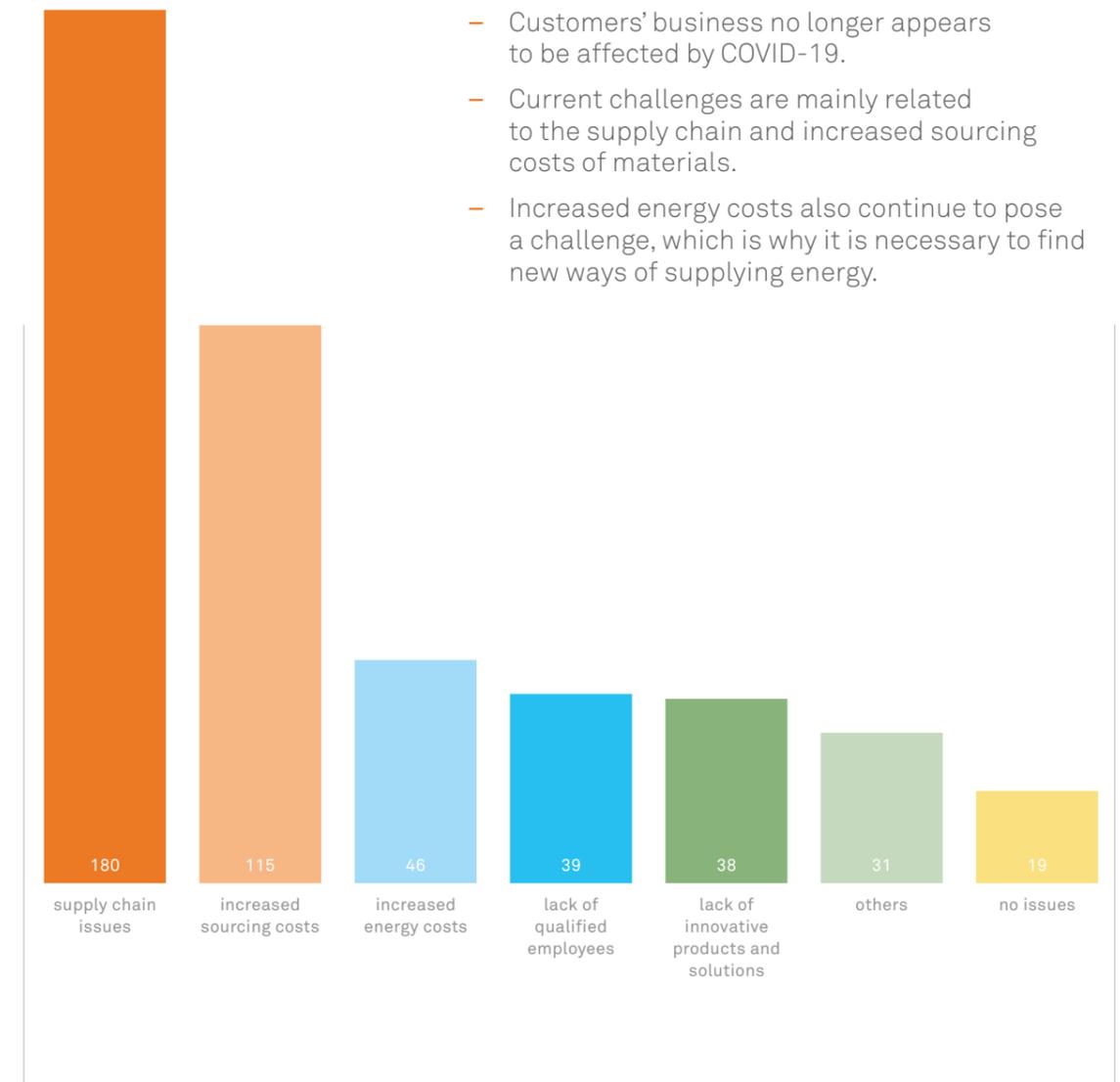
GENERAL MOOD OF OUR CUSTOMERS IN 2023

	negative		neutral		positive	
O&G upstream	4%	26%	22%	52%	75%	22%
O&G midstream	7%	25%	35%	58%	59%	17%
O&G downstream	13%	28%	32%	61%	55%	11%
chemicals	15%	24%	39%	53%	47%	24%
energy	6%	29%	32%	55%	62%	16%
pharmaceuticals	0%	22%	29%	72%	71%	6%
others	9%	29%	27%	59%	64%	12%

* value as of 4/2022

Current market challenges

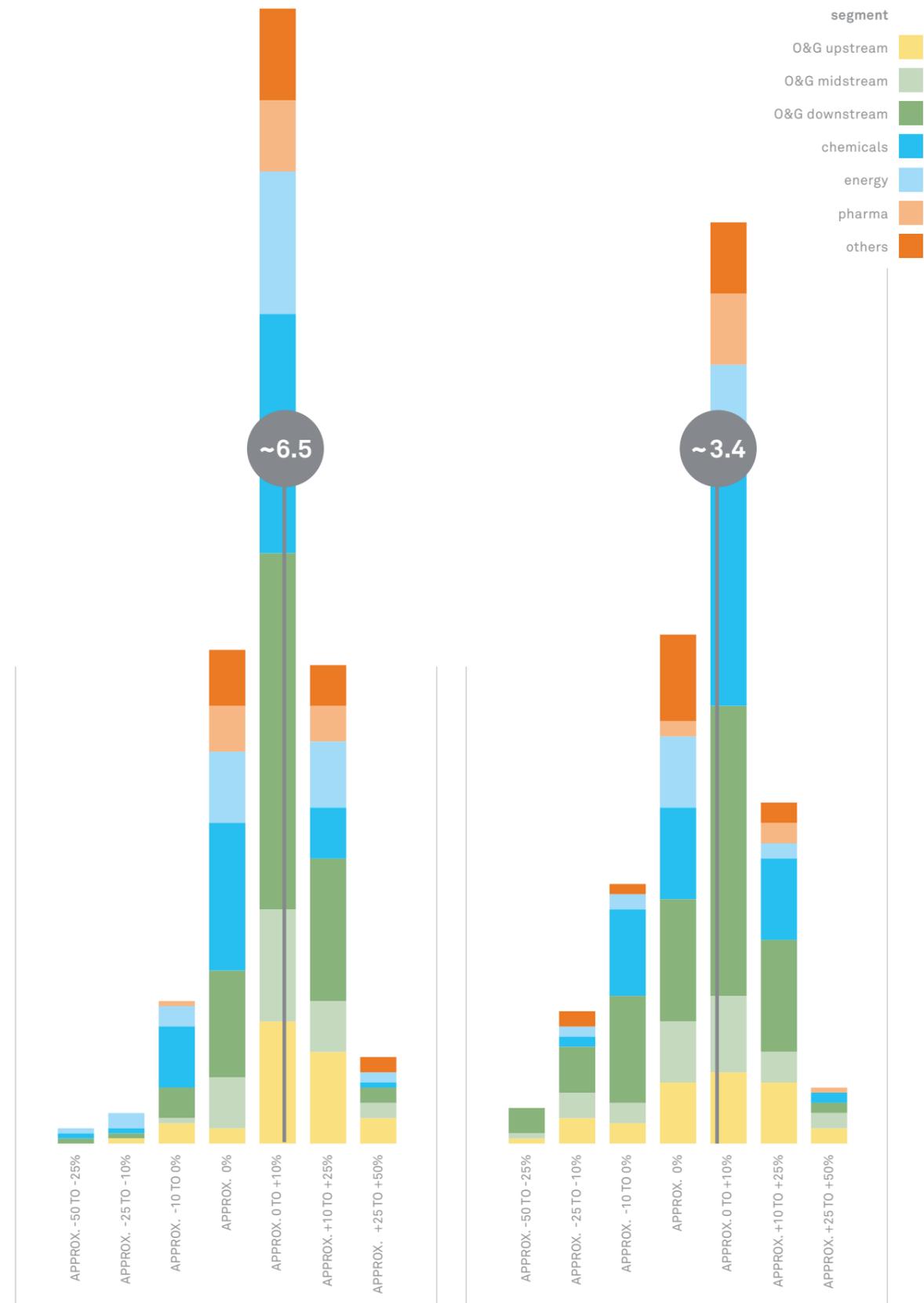
- Customers' business no longer appears to be affected by COVID-19.
- Current challenges are mainly related to the supply chain and increased sourcing costs of materials.
- Increased energy costs also continue to pose a challenge, which is why it is necessary to find new ways of supplying energy.



WHAT IS CURRENTLY THE BIGGEST CHALLENGE?

Customers' revenue is expected to increase

- The expected average revenue growth for calendar year 2023 is +6.5% compared to CY 2022. In the CY 2022 survey, our customers expected a increase of 3.4% compared to CY 2021.
- The interviewed customers in SNAM are the most optimistic, anticipating an average revenue increase of 14.2% in the current calendar year 2023.



EXPECTED REVENUE DEVELOPMENT FOR CY 2023 COMPARED TO CY 2022

value as of 4/2023

EXPECTED REVENUE DEVELOPMENT FOR CY 2022 COMPARED TO CY 2021

value as of 3/2022

Interview with Michael Krüger & Marco Bekker

According to our survey results, our customers are increasingly focusing on industries besides oil and gas, and thus on new energies. Can you describe what new energies are?

Of course, new energy is not about newly discovered physical phenomena. Rather, it means alternative methods of energy generation, energy transport and energy use, which will be very important for the energy transformation. Alternative methods for energy production, transport and usage are increasingly realized in large-scale industrial systems and large infrastructure projects, driven by the need for decarbonisation. New energy includes the well-known renewable energies, such as wind turbines, photovoltaic systems, solar thermal power plants and new technologies for carbon capture and storage as well as systems that produce, transport and use hydrogen as an energy source or energy carrier. In a broader sense, new energy also covers batteries, biogas plants, waste recycling and a number of processes for synthesis. As example, environmentally friendly fuel for aviation, so-called SAF – Sustainable Aviation Fuel can be produced from plastic waste. Based on other technologies ammonia or methanol can also be synthesized from hydrogen.

Hydrogen in particular seems to be a big topic. What developments do you expect for the future?

Hydrogen will become beside electricity the most important energy carrier for the future of our industry and public life. Hydrogen can be much better stored for long periods, as example in salt caverns to cover the gas demand of our industries for several months. Electric batteries do not offer this option. Hydrogen is since decades an important gas for the petrochemical industry and ammonia synthesis. Therefore, a broad range of technical methods and equipment are available in a proven and large-scale industrial execution. We expect that the petrochemical industry will become the first large-scale users of new energy sources as example to replace natural gas for their operations by electric renewable energy, by hydrogen and by combinations of both. The main objective of the industry is the reduction of the operational carbon dioxide emissions and the diversification from natural gas as dominant energy source. This development is accelerated by government strategies, such as the European Green Deal-Program. Once hydrogen is produced more frequently in different regions of the world, such as Europe, Australia, North and South America and Middle East, the hydrogen prices will become much more competitive compared to today's situation. This will foster other hydrogen application outside said petrochemical industry clusters.



DR. MICHAEL KRÜGER
VP Quality & Certification; Strategic Business Development Hydrogen & New Energy

How do you see these developments in the context of the hazardous area market? How is BARTEC prepared for it?

BARTEC's product portfolio is ready to serve both the already existing "new energy" applications as well as all new or specific upscaled hydrogen applications. This is just based on the fact that hydrogen (or methanol and ammonia) is not a new invented gas. Hydrogen is known since more than 250 years and it is among others used in large-scale petrochemical industries. Therefore, BARTEC electrical equipment for use in hazardous areas



MARCO BEKKER
Business Development Manager

is already classified for use in areas with hydrogen under IECEx and ATEX. This means that all important products and system solutions from our Business Units are already certified for hydrogen usage. Beyond that we have product offerings that are specifically designed for or of specific interest for hydrogen application, such as the metering systems for hydrogen truck trailer offered by PETRO and the trace moisture measurement systems offered by PAT. In these terms, we are sure, that BARTEC is in a very comfortable position to serve our customer needs also for upcoming new applications.

BARTEC in use

Discover the possible applications



Lighting

Whether individual lighting, floodlights, compact luminaires or emergency lighting, whether fluorescent tubes or LED light sources, the BARTEC's explosion-proof lighting systems cover almost every application.



Control, Switch and Connect

BARTEC offers one of the most comprehensive product ranges of series-produced explosion-protected components, devices and systems for control, switching and connecting, in addition to customer-specific combinations.



Heating

BARTEC heat tracing systems protect against frost damage, prevent cables freezing, support the production process and help with the heating of critical media.



Automate and Communicate

The innovative mobile devices from BARTEC with a wide range of accessories and network components and monitoring and control stations can provide all automation and communication solutions for the Ex areas.



Motors and Drives

BARTEC develops and manufactures electric motors and materials for safe drive technologies, control and monitoring solutions. The possibilities offered by modular construction and special customised applications ensure very high flexibility.



Analyze and Measure

BARTEC's online analysis tools deliver seamless logging of important parameters for an ideal overview of a process sequence, guaranteeing the quality of the production results in accordance with applicable standards and product-related specifications.



Energy Distribution

BARTEC designs and produces customer-specific solutions for industrial applications for optimum energy distribution.



Visualize and Monitor

The BARTEC portfolio of man-machine interfaces is the ideal solution from a single source for all tasks in the field of process visualisation, operation and monitoring.



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