



Lisbon, March 14th 2022

Subject: Energy and logistics surcharge – 1st of April 2022 - USA

Dear Partner,

Since the beginning of the Russian-Ukrainian conflict, which has severely aggravated already unstable and unpredictable macroeconomic dynamics, we have experienced a steeper increase in energy costs.

The current geo-political situation, with international sanctions on Russia and high European dependency on their gas supply, has led to a very rapid increase in energy prices, with expectations of further increases. Apart from the direct impact of the energy prices on our cost structure, we are also severely affected by the indirect energy impact in several chemicals and logistic costs. In fact, in what regards logistic costs, we have experienced a 22% cost increase since January 2022, mainly due to the increased cost of bunker (Fuel) and high congestion on US ports having a negative effect on capacity.

Under these circumstances of extreme uncertainty, with Navigator being exposed to direct and indirect energy and logistics price volatility, significantly affecting our profitability, we are forced to implement a 120USD energy and logistics surcharge on our UWF products in the USA. This surcharge will be effective from 1st of April 2022, until further notice, and will be included in the invoice price. New prices will shortly be shared with you by our local teams.

We believe that this exceptional measure is imperative to support the long-term sustainability of our business model and of the overall supply chain. We will monitor closely the evolution of energy prices, adjusting the surcharge when the situation so requires.

We understand the impact of this unprecedented situation throughout the supply chain and we will continue to work closely with you to fight for our common business, being available for any further clarification. We sincerely hope that this unfortunate situation will come to an end soon.

Sincerely,

Michael Dutt

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