

10<sup>th</sup> April 2026

Dear Customer,

Over the past month, several customers have contacted us regarding the developing situation in the Middle East and its potential impact on the wider supply chain. We would like to share what we know at this stage and outline how these events are affecting our own operations.

Recent geopolitical developments are disrupting global shipping routes and energy markets. International maritime traffic is being redirected away from key passages, resulting in longer transit times and increased congestion across global shipping networks.

The situation is also influencing global oil and gas markets. As a central region for global energy supply, movements in the Middle East are contributing to rising wholesale energy costs. This is particularly significant for our industry, where production processes are highly energy intensive. Many of you will recall the substantial supply chain disruption experienced during COVID. Throughout that period, our priority was to maintain supply continuity wherever possible. We worked closely with suppliers to keep materials flowing despite the challenges. We are taking the same approach now—monitoring developments carefully, staying in close contact with suppliers, and planning ahead wherever we can.

Several suppliers have already notified us of potential disruption to logistics and raw material flows linked to these developments. These issues have driven significant cost increases within parts of our supply chain. Until now, we have absorbed these costs within our own operations. However, the scale and pace of recent increases mean this is no longer sustainable. We have therefore made the difficult decision to introduce a surcharge on all orders placed on or after 1st May 2026.

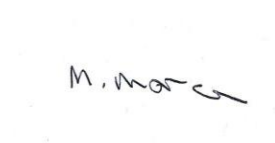
For us to maintain availability, it is sensible and reasonable for us to monitor the amount customers order during the weeks prior to the surcharge being applied. We reserve the right, if necessary, to apply the surcharge on orders from customers ordering more than their normal usage or refuse orders where order volumes are significantly higher than normal. This will help us to maintain normal supply levels across our customer base.

Product Group	Surcharge %
Brush Pile	12%
Extruded Parts	7%
Q-Lon	7%

As the situation evolves, we will continue to monitor developments closely and will ensure that any changes to the surcharge are shared with you in a timely manner. Please note that any customers who currently have an End of Year Agreement in place, your bonus will be calculated on standard pricing and not standard pricing + surcharge.

As always, if you have any questions please speak to your usual Schlegel contact.

Kind regards,

A handwritten signature in black ink that reads "M. Moran".

**Mike Moran**  
*VP Sales for Schlegel & IG*

A handwritten signature in black ink that reads "Marek Krakowski".

**Marek Krakowski**  
*Sales Director Schlegel*