

August 2022

Dear Ger,

Last week we informed you that the situation on the energy markets had further deteriorated as a result of the reduction in supplies of Russian gas.

European gas prices have risen dramatically and remain at their very high levels. Electricity prices have reached new highs in some countries and have not come back after their increase. Market experts do not rule out a further deterioration of the situation due to the impact of the current critical geopolitical situation.

At the same time, we see that the increase in our other input costs is not abating. For some time now, we have been recording considerable increases in our variable costs for chemicals, recovered paper, pulp or in our inbound and outbound logistics, for example.

The current framework conditions unfortunately force us to compensate for the rapidly increasing energy and input costs and we will therefore include a surcharge for the following graphic paper grades until further notice:

- for **News/MFS** and **SC** products: 120 EUR per tonne of paper

This surcharge is valid for all deliveries invoiced as of Monday, 8 August 2022.

As practiced before, we will intensively monitor the situation and may adjust our prices at short notice if the situation changes – corresponding with the rapid development of the overall economic situation and especially the erratic energy markets.

We continue to operate in a highly volatile market environment and are exposed to a considerably risk, especially related to the availability and cost of energy, raw materials and logistics services. We remain committed to the graphic paper industry and are fully focused on meeting our delivery obligations despite the current circumstances. We also commit to remaining a strong partner to the print and media industry in the long run. We focus our company goals on supporting this commitment.

Your sales contact will reach out to discuss the exact prices for your orders further.

Sincerely,



Ruud van den Berg
Senior Vice President Sales,
UPM Communication Papers



Robin Post
Area Sales Director,
UPM Communication Papers

This letter and its contents are confidential customer communication between UPM and you, it is not to be shared with third parties.