



P R A D O
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Dear Partners,

During this summer, especially in August, we have witnessed a dramatic deterioration of working conditions due to the increase in energy costs, for electricity and especially for natural gas.

Although we all know that measures to support companies are being studied by the Portuguese government and the European Commission, nothing has yet reached the real economy and it is not expected that this will happen before mid-October (only on 30 September will there be a meeting of EU energy ministers to take decisions on this matter). Once the measures are known, it will be necessary to assess their impact on the working conditions of companies, with special focus on energy-intensive industries, as is the case of Prado.

Stubbornly, here at Prado, we have maintained working as usual even in periods when it would be economically more sensible to suspend activity, due to a clear imbalance between production costs and market prices, at least in a significant part of the product range. Thus, we intend to continue, guaranteeing service to the market in accordance with production planning, as in the cycles planned for 2022 that were announced in due time, which we have been scrupulously complying with.

As previously informed by our commercial network at the end of August, given the information known at the time and that did not undergo relevant changes, the market would be informed in mid-September of the value of the energy surcharge that we would have to apply, which we are now setting at 150 €.

It was also announced at the time, that this surcharge will apply to:

Indent orders - All those produced in cycle 10 and those that if produced in previous cycles are shipped after the end of October;

Standard products (stock) - All shipments after the 22nd of September.

We will monitor the evolution of raw-materials' market and especially the energy market, so that, as soon as substantial changes occur, we may reverse all or part of the surcharge now defined, hoping that there will not be an even greater disruption that would force us to increase it. Therefore, this surcharge will remain in force until specific information from Prado on its elimination or modification.

We hope once again to be able to count on the comprehension of our partners, making ourselves available for any further clarifications.

Best Regards

Lousã, September 15th, 2022

