



COGNE ACCIAI SPECIALI S.p.a.

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To all Customers

October 20, 2021

RE.: EXTRA ENERGY

The unprecedented cost increases of electricity and natural gas are obliging Cogne Acciai Speciali to adopt an extra energy component in its pricing structure, which will be included within its monthly alloy surcharge.

This will be gradually applied, beginning with November deliveries, when the company will add 150 Euro/tonne as extra energy. In December it will rise to 180 Euro/tonne.

Cogne specifies that the above values will not cover the overall real production costs increases consequent from the recent energy crisis.

Based upon the current forwarding prices of electricity and natural gas for 2022, the valuation of the extra energy is currently assessed at approximately 230 Euro/tonne (today's best estimate as average value for next year).

From January onwards, the exact value will be calculated considering the average prices of the two above energy products during the 30 days that elapse in the period from 21st of the Month -2 until 20th of the Month-1.

Monthly updating of the value, based on the actual market energy prices, will ensure maximum transparency.

Best regards,

COGNE ACCIAI SPECIALI SPA

Emilio Giacomazzi

Marketing and Sales Director