

## Adjustment of prices for LOGSTOR products

1 February 2021

While most countries are still struggling with the health related ramifications of the Corona pandemic, the entire World economy is in a fast recovery that leads to a strong and unprecedented demand for raw materials. Many industries are facing shortage in supply, combined with rapidly increasing prices.

In our sector, we have seen steady increases since the last quarter of 2020, now accelerating in the early part of 2021. All projections show that this will continue throughout 2021.

LOGSTOR has a long-term relationship with the best suppliers of raw materials and has been able to secure supply at all times – also back in 2020 when many supply lines were heavily challenged by the pandemic.

With around 85% of the material consumption of LOGSTOR based on Steel (media pipe), Polyurethane (insulation foam) and Polyethylene (Jacket) that are all affected by increases, LOGSTOR now announces an overall **price increase in the range of 12-18%**, depending on the product category and specific project. All with effect for new orders placed after February 5th 2021.

District Heating is growing and contributing to providing affordable heating to many homes while addressing the most important climate targets of reduced emissions, transformation to renewable energy sources as well as increased energy efficiency. Indisputable, District Heating is the vehicle to a greener society – and we are committed to deliver our part of it.

Some facts on raw materials:

**Polyol/Isocyanate**, the two main components used in the Polyurethane insulation, have increased. Isocyanate has had a very steep rise in January with 15% more than in December. There is no prospect of this development slowing down. Mostly, polyol has followed the price development of isocyanate but at a somewhat lower rate - approximately a 5% increase since December. We expect that the price will continue to rise in 2021 in line with the isocyanate.

**Steel** constitutes the largest portion of the system. The prices have been increasing steadily in the last quarter of 2020 but during December and January accelerated beyond a 25% increase. Especially for steel there are many factors which are decisive for the level, but in general there is a higher demand than supply and this outlook is expected to continue in 2021.

**Polyethylene**, the plastic granulate for the casing, has been on the same path with 12% increase since December 2020.

Naturally, we are unable to predict the course of the entire year with great certainty, but supply limitations and high demand will continue throughout the first half of 2021, resulting in an upward price structure.

Based on the above, we are obligated to adjust our prices and we will keep you informed on the development on a continuous basis throughout 2021.

For more detailed information on the current situation or the new prices, please reach out to your LOGSTOR contact person.

Thank you for being a LOGSTOR customer and we look forward to continuing our collaboration.

Best regards,  
LOGSTOR

Kim Christensen, CEO