

**THE NAVIGATOR COMPANY, S.A.**  
**Public Company**

Headquarters: Mitrena, Apartado 55, 2901-861 Setúbal  
Registered at the Commercial Register of Setúbal  
Share capital: € 500,000,000 - Corporate Entity: 503 025 798

**Privileged Information**

In accordance with and for the purposes of article 17 of the Regulation (EU) number 596/2014 of the European Parliament and of the Council, of 16 April 2014, and of number 1 of article 248 of the Portuguese Securities Code and other applicable regulations, The Navigator Company S.A. ("Navigator") hereby provides the following clarification to the market:

As informed to the market on April 21<sup>st</sup>2020, in light of the Covid-19 pandemic, the strong reduction in paper consumption and the postponement and cancelation of orders led Navigator to reduce its paper output from 700 tons up to 2 000 tons per day, for a period of 30 days. At the time, the Company chose to maintain unaffected the conditions of the workers and decided to reevaluate the situation and the need for additional measures within a month.

Currently, with the persistence of weak market conditions and considering the current order book for the next month, the Company has decided to maintain the reduction in output until the end of June. This will allow for a better balance between demand and supply, minimizing the risk of inventories accumulating in the supply chain.

Following this situation, Navigator has also decided to apply the simplified partial furlough measure in the form of temporary suspension of employment contracts or reduction in worktime, provided for in subparagraph (a) of article no. 4 of Decree-Law no. 10-G/2020 of 26th March. Approximately 1201 workers will be impacted by these furlough measures, 97 of which will be in full furlough, with impacts as of June 1st. In term of full-time equivalent (FTE), this represents less than 13% of the total numbers of workers within the Group. It is noted that the Company will maintain the full remuneration of these workers, excluding the components associated to the actual provision of work.

Considering the recent developments, for the sake of prudence and because of the use of the furlough measure, the Board of Directors has decided to withdraw item number 3 in the agenda of the next General Meeting to be held on April 28<sup>th</sup> 2020, related to profit allocation. It should be mentioned that Navigator has already distributed reserves to shareholders in January 2020.

The Company will issue a new convening notice for a new General Meeting by June 30<sup>th</sup>, 2020, in good time and in accordance with article 18 of Decree-law 10-A/2020 of March 13<sup>th</sup>, with the discussion the new proposal for allocation of net profits - to

be made by the Board of Directors, for such profits to be fully applied into free reserves – as the sole item in the agenda.

We believe that these conservative measures that have also been taken by other industry players are of the utmost importance in the current context of high uncertainty, namely in what concerns the recovery of economic activity.

The Company is following closely this recovery, already anticipated in the loosening of lockdown measures that are occurring or that have been announced in several of our major markets. We have also been witnessing some pick-up in terms of our order book in the past two or three weeks, and as soon as we see a sustained recovery, we will reevaluate the possibility of a return to normality, including what concerns the recent measures taken.

The Group has been taking all actions in its power to mitigate the impacts related to the Covid-19 pandemic and is fully convinced of the resilience and strength of its business model in this particularly challenging environment.

Lisbon, May 20<sup>th</sup>, 2020