



2021-06-01

To our valued customers,

Re: EPS Pricing Increase

2021 has been an unprecedented time for everyone. The pandemic has hit many of us hard and we continue to work diligently to keep our workforce safe and our operations open so we can continue to serve your needs.

In the past three months we have experienced a supply chain crisis like no other. The worldwide supply of EPS, among many other commodities, has been subject to volatile fluctuations. On top of this we have seen the availability of EPS being impacted by supply and logistics issues around the globe. The global shipping and container crisis has created delays, cancellations and uncertainty over our entire EPS supply chain.

We have worked hard to ensure continuity of supply for you, our customers. We know you rely on us to provide our EPS products to support your construction projects and you are relying on us to meet your delivery timelines to keep your projects on schedule and on budget.

To ensure this continuity of supply we've been having to fill holes in our supply chain from many different sources. This has led to escalating costs beyond anything we had anticipated or planned. To ensure we can viably continue to provide this service we need to implement a minimum 5% price increase effective June 15 on all orders and declare force majeure on all current contracts. We will be re-costing all projects in the coming days, sales will follow up with revised quotes and price lists. I recognize that we just implemented an increase due to material costs and the burden this additional cost will present to you all. If we could have absorbed or avoided this situation we would have. We will continue to monitor and review the situation and make adjustments or amendments as needed. We are all hopeful the global supply chain will stabilize in the coming months.

Thank you for your continued commitment to our business and we ask for your understanding of the challenges this will create for you. We hope that this pain is short lived and we will continue to take all measures available to us in order to avoid any disruptions to your valued business.

Sincerely,

Airfoam Industries Ltd.

A handwritten signature in black ink that reads "Joshua M Plamondon". The signature is written in a cursive, flowing style.

Joshua Plamondon, CPA, CGA
Chief Executive Officer.