Ommen, 19 March 2021

Subject: Price adjustments & availability of raw materials

Dear customer,

In a recent update we informed you about the situation regarding raw materials, supply and price developments. The developments are now following in rapid succession and we would like to inform you of the following in the following:

We are currently receiving alarming reports from our chain partners about the availability of various raw materials and various 'Force Majeur' reports from various factories around the world.
In the very short term, this shortage is expected to persist or even worsen, which will also have a negative impact on the purchase of our raw materials. Combined with skyrocketing freight and energy rates, the resulting cost increases are extremely high.

In order to limit the impact on our supply chain and at the same time ensure the highest possible security of supply, we currently have no choice but to accept the price increases, which are being implemented immediately by our suppliers. Our team is doing everything in its power to stay supplied with the various raw materials and to keep 'the operation' running. In addition to raw material capacity constraints, we are also faced with high capacity utilisation and full order books, leading to longer delivery times.

The above unfortunately means that **with immediate effect** we will pass on the extra costs to you.

We expect this price adjustment to be temporary and that the trend will reverse in the course of the spring 2021.

Of course, we closely monitor price movements in the various markets and react immediately as soon as the situation relaxes somewhat. Even in these very turbulent times, we will of course be happy to help if you have any further questions or comments.

Kind regards,

LARO TAPE GROUP B.V.

Koen Rolvink
Managing Director