



RESOURCES

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4/26/2022

Dear Valued Customers,

These last two years have been nothing but challenging. Lately, it does not matter if it's supply chain logistics, which is slower and more expensive than ever, to LTL transportation costs which are increasing, if not at all-time highs, and commodities keep on rising as uncertainty in Europe unfolds. We have been offsetting these increases with improved efficiencies and operational enhancements. These increases are coming fast and frequently. We were successful in absorbing the gains in most categories but not all. Effective June 1st BK Resources will be raising prices on all underbar products, gas hoses and kits, and EM's used in our BK MODS production by 5%. For some good news, our new sneeze guard line has seen increased production efficiencies and we will be reducing the line by 10%.

With four increases over the last 16 months and changes in policy for those past increases, I want to explain the process for 6/1/2022.

- The price increase will be applied to new POs placed on or after 6/1/22.
- A new printed catalog will be available around 7/1. The digital catalog, website, and AQ will be updated on 6/1/22.
- Outstanding quotes that are still active will be honored. We have been quoting with a 30-day expiration for months. The market has been too unstable to hold prices any longer.
- Backorders for underbar and EM's entered under the "current pricing structure from 9/1/21" will not be affected. Backorders that predate 9/1/21 will be brought to the 9/1/21 price levels.
- Gas hose line and accessories: New POs with backorders will be subject to the 6/1/2022 increase.
- Sneeze Guard line decrease by 10% effective 6/1/22.

Inventory levels have been slowly improving but will suffer another setback with Shanghai being shut down for weeks. For five years now, BK Resources has been diligently working at divesting from one country sourcing, which has played big dividends for our partners and us. The best advice I can give is to get your BK Resources login credentials. You can check stock levels and place your POs directly into the system.

Everyone at BK Resources is thankful for your continued support.

Respectfully,

Matt Woelfer

Matt Woelfer
V.P. of Sales & Marketing
BK Resources