



Date: August 24, 2021

From: John Babcock, President of Satellite Industries

To Our Valued Customers,

Each and every day, just like you, our employees get up and come into work ready to serve... to do their best. Right now, we are working days, nights, weekends, and holidays. Time away from our homes... time away from our families in order to keep you supplied with the equipment you need to keep going. This is being done amidst a backdrop of global supply shortages and massive cost spikes in raw materials. Steel has gone up a substantial 215% since October 2020 and plastic resin 185% over the same period. Our recently announced surcharge ranged from 2% to 9% on some of our products which does not come close to covering our cost increases. As it should be, we are bearing the vast majority of the burden and are just asking for a small increase as a partner without taking advantage of the situation.

When we took orders many months ago, we had no idea the world would be as upside down as it is right now. We have had to make reasonable adjustments to the reality of the world we are living in right now, which is that we are all facing a tremendous surge in demand, coupled with the very real challenge of an inability to find labor, components, trucks, etc. And securing all of that for you does come at a tremendously high cost.

We are just as frustrated as you are but please realize that there are many hard-working, passionate people at Satellite who are dedicated to keep you supplied. I can assure you that we are working diligently every day to secure enough materials to keep you supplied by sourcing everywhere we can, expediting freight, paying a premium on labor around the clock including overtime... You need the equipment, and we are working hard to get it to you! Because we care... And we will continue to work to serve you with all our efforts. Thank you for hanging in there with us.

Sincerely,

A handwritten signature in black ink that reads "John Babcock".

John Babcock
President, Satellite Industries



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