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Dear customer,

I am writing to you in connection with the current events taking place in the Ukraine and to provide you with an update on the potential impacts to our business & supply-chain. As you will be aware, the global raw material markets are experiencing huge inflationary pressures, which has resulted in an immediate impact on our business activities.

Firstly, I can confirm we will not be supplying any 'conflict timber' in line with the FSC & PEFC guidelines. However, in Central and Eastern Europe, a significant reduction in wood availability has led to surging price increases and monthly pricing, from supplying mills, moving forward. Whilst we are utilising all available options in our network and working on alternative materials, the increase on raw material costs in Quarter 2 are significant and the potential for further increases continues.

Sanctions have reduced the supply of oil and gas, escalated energy costs and stopped the supply of critical chemical elements (such as urea) which are used extensively across our supply chain which has dramatically affected costs for these chemical commodities. These actions have led to a significant uplift in the price of other key raw materials, as well as a sharp rise in transport costs. Current events are having far-reaching consequences for pricing dynamics and for all industry production and delivery processes. The situation remains fluid, unpredictable and highly challenging, with potential for further increases.

Our primary goal remains security of supply and we continue to work with our suppliers and customers to have minimal disruption in supply and we will continue to monitor and update you on any potential impact. However due to the above, we are forced to announce that there will be increases in prices in April and it is not possible for us to enter into long term price agreements in this trading environment. Your account manager will be in touch shortly to discuss updated price lists and existing orders.

We thank you for your understanding as we all navigate yet another extraordinary commercial environment, the development of which is beyond our control. We can only overcome this situation together and thank you for your continued support.

We will maintain updated communication on market developments over the days and weeks ahead and if you have any questions please do not hesitate to contact me.

Kind regards

Richard Allen

(Sales & Marketing Director)

