



03.22.2021

Dear Valued Customer,

We are contacting you to make you aware of the harsh reality that has been affecting our industry in the recent months.

Since January 2021, there is a global plastic resin shortage. This affects all the plastic resins, but most of all nylon, polypropylene and low-density polyethylene that is used to make the thermal laminating adhesive known in our industry as EVA, and on a smaller scale polyester.

Because of this global shortage, our company has no influence over the resin prices that have gotten completely out of control over the last 3 months. Despite the variety of resin suppliers we can access, even though the global network of our parent company Taghleef Industries, our contract-based resin suppliers have declared themselves in a force majeure to break their contractual obligations, and now offer only limited resin quantities at a very high cost. This forces us to buy resin on the spot market at the extremely high and unstable resin prices. Just in the last 2 months, our resin material costs have gone up by more than 45%. Overall, resin prices have not been this high during the past 20 years of our industry, and they are expected to continue to increase. The recent articles posted in the plastic related media are forecasting this global resin shortage will continue through 2021.

On top of the rapidly rising resin costs, the worldwide international freight crisis, caused by the lack of vessels due to the recent boom in the international trade, has significantly increased international freight costs.

The reality is, for us to continue to guarantee the material supplies, we are forced to start introducing temporary resin shortage premiums to our sales prices.

Your sales representative will be contacting you in the next days to discuss the measures we will be applying.

Please know, we have endeavoured to minimize the adjustment to the least possible, while hoping that the notice is adequate to be incorporated into your business planning. In this way, we can assure the continuity of our production, meeting all our business commitments and the usual functioning of our supply chain.

We are at your disposal to be of assistance. Please feel free to reach out to our sales team and/or our customer service representatives at [derprosa@ti-films.com](mailto:derprosa@ti-films.com) for any further information or clarification.

Yours faithfully,



Andrés Quevedo  
General Manager – TiSL



Filip Sarka  
Derprosa – Regional Manager NA