



March 25, 2026

Steep general cost increase for materials and services provided, following supply chain constraints and geopolitical uncertainties – need for price adjustments on products to be delivered to you

We had hoped that 2026 would bring a more stable outlook for the flexible film markets and associated input costs. Unfortunately, the rapidly escalating conflict in Iran and the broader Middle East has created renewed instability across global supply chains and energy markets, resulting in significant cost increases throughout our value chain.

These developments are affecting not only our key raw materials, including polyethylene resins, but also additives, logistics, externally provided services, and energy inputs.

Below, we would like to outline the main factors currently driving cost increases for Trioworld.

Raw materials used in the production of flexible films

Ongoing supply chain disruptions, limited availability of material, challenges in transporting products across global markets, are contributing to substantial price inflation. In March alone, we have seen supplier price increases USD \$0.10, with further unprecedented increases for April ranging from USD \$0.20 to \$0.40 per pound due to the geopolitical situation and associated disruptions. Despite our continued efforts to mitigate these impacts, the reality is that these conditions arose from an Act of War and are completely out of our control.

Energy costs

The conflict in the Middle East has added further pressure to already strained global energy markets, particularly because the region plays a central role in the supply of oil and natural gas. Any escalation in tensions creates uncertainty around production, transport routes, and overall energy availability, which quickly impacts market pricing.

Transport and logistics costs

The current geopolitical situation is affecting global freight flows, shipping routes, and the availability of transport capacity. The price of fuel continues to climb and are approaching record highs.

Our commitment

We remain fully committed to maintaining the high level of service and support you expect from us, and this continues to be one of our highest priorities. However, given the magnitude and persistence of these cost increases, we must implement immediate pricing adjustments, as follows:

- **All open orders as of the end of day, March 31, 2026, will be repriced up by USD \$0.10 per pound.** This increase coincides with the increase announced by our suppliers that took effect on March 1, 2026.
- **All new orders will be processed with a further increase of USD \$0.20 per pound**, reflecting April cost increases and extended leadtimes.
- **All contract pricing arrangements will be suspended until further notice**, due to the inherent and unpredictability of market conditions arising from this **Act of War**.

It is important to note that further adjustments may be required should additional supplier increases, including those already indicated for May (USD \$0.20 per pound), be implemented.

It is our clear intention to continue monitoring developments closely and to review these adjustments when market conditions begin to stabilize and costs return to more normal levels.

We sincerely appreciate your understanding and partnership during this challenging period. Our priority remains ensuring continuity of supply and delivering world-class service to our customers.

Should you require any additional information or wish to discuss the impact in more detail, we remain at your disposal.

Yours Sincerely



Ricardo Cardoso
President and CEO
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