



May 13, 2022

The Russia-Ukraine war has triggered a new wave of inflation affecting all strategic materials and components as well as energy and logistic costs. We also expect further cost increases and disruptions to our supply chain due to the lockdowns in China as mounting congestion at the port of Shanghai has a domino effect on international shipping.

Unfortunately, we do not see inflation and supply challenges improving in the foreseeable future which means our manufacturing costs will continue to increase, particularly come January 2023 when annual contract pricing of certain commodities will inevitably be adjusted upward.

As a result, this is advance notice that Beverage-Air and Victory Refrigeration must implement a 5%-7% price increase on all Coolers, Parts and Accessories effective for orders received from 8/15/2022. From now until the effective date we will monitor changes to our production costs and narrow down the range of increase.

In general, orders placed before 8/15/22 and marked for shipment prior to 1/1/23 will receive current pricing. That said, we ask customers to refrain from placing price protection POs that far exceed their normal run-rate. We will use 2021 and/or H1 2022 actual purchases as the run-rate benchmark and reserve the right to request that portions of orders far exceeding that historical number be re-priced. Of course, we will take into consideration specific circumstances.

New Beverage-Air and Victory Refrigeration price lists will be available soon. All of us at Ali Group North America - Refrigeration Division thank you for your continued support and patience as we try to manage our costs and operations during these extremely difficult times.

Sincerely,

Oscar Villa
President
Ali Group North America—Refrigeration Division

