

Dear Valued AVPro Partner,

The ongoing pandemic continues to create challenges throughout the world economy, including the electronics component and shipping industries. At AVPro, many of our materials and shipping suppliers are struggling to meet demand, resulting in cost increases and aggressive terms to maintain supply of materials.

The good news is that AVPro owns its manufacturing facilities in Shenzhen, so we do not need to wait in a queue to have our items manufactured. This allows us to keep the supply chain intact with minimal backorder. However, in the past six months, semiconductors have increased in price exponentially. Additionally, it is almost impossible to obtain a shipping container to have items shipped via sea. Average sea shipping time quotes have reached 4 months. This means we are shipping via air, at significantly higher costs, while waiting for the occasional sea shipment we get on the water. AVPro has been absorbing these increases for the past several months, hoping for some improvement, globally.

Given that the situation is not improving and, in some cases, getting worse, we have no choice except to add a 10% surcharge to all orders on all pricelists from wholesale to end user. This surcharge will be added to your invoice upon order entry. We are hopeful that this situation is temporary, and we can remove the surcharge quickly.

In summary:

All inbound freight (finished goods) will be shipped via air from Asia to South Dakota – this will significantly improve/reduce back log but will increase cost of goods sold.

AVP will continue to search & source the most cost-effective components until production returns to normal pre-pandemic levels.

A 10% surcharge will be added to all orders starting today.

The surcharge will be removed once we can effectively ship via sea freight (normal price and length of time from pickup to delivery is 30 days or less), and component shortages end, and prices return to normal.

As a valued partner of AVPro, we appreciate your continued support in these challenging times. If you would like to have a personal phone call from leadership to discuss the changes, please reach out to your RSM.

Respectfully,

Jeff Murray
(CEO)



Matt Murray
(President & CTO)

