



#### MiTek Inc

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To Our Valued MiTek Phoenix customers:

We want to continue our commitment to transparency in these incredibly challenging times. While the severely constrained steel market is a global phenomenon, we are currently most acutely affected at our Phoenix location.

We have discussed in previous communications multiple factors driving the steel shortage:

- Drastic cutbacks in global steel production during the pandemic.
- Section 232 tariffs inhibiting offshore supply
- Massive demand increases across all manufacturing industries
- Acute, nationwide backlog in railcar and truck availability and skyrocketing costs. By way of example, rail cars that were expected to arrive in Phoenix this week have now been rescheduled to week of May 10.

Suffice to say the near-term situation is extremely challenging, and as such we are taking the following measures to satisfy as much of our Phoenix customers' short term needs as possible:

- Diverting to Phoenix rail cars that were destined for our eastern facilities
- Further supplementing Phoenix with slit coil trucked from eastern facilities
- Actively evaluating the current Phoenix connector order book and offloading certain orders to other MiTek manufacturing locations for production

I want to emphasize that, for months now, MiTek has had on order sizeable volumes of steel—the problem is quite simply late mill deliveries. For the period May through August alone we are scheduled to receive more than 220 million pounds of steel across our operations. As mills begin to catch up production, we are hopeful of improved delivery performance, and have even been able to secure extra volume for mid-summer promise dates. We have sightline to improvement, but for the next 45- 60 days the situation will be extremely challenging.

In the spirit of partnership that has marked our many years working together, we are asking our customers for help in managing the current situation. Please work with your MiTek representative to identify your most critical needs so that our service team can attempt to prioritize. Additionally, please refrain from placing new order volumes above

the monthly targets you have been provided. Excess orders must be moved to the following month(s), based on target volumes and steel availability.

As with all building products and materials we are in uncharted waters. We are committed to doing whatever is reasonably possible to service your immediate needs in the face of global supply chain disruptions that are working against us all in the near term.

We appreciate your continued patience and support.

A handwritten signature in blue ink that reads "Thomas J. Valvo". The signature is fluid and cursive, with a large initial "T" and a long, sweeping underline.

Thomas J. Valvo  
President, Homebuilding Solutions