

April 2, 2025

A Letter from Our CEO – Tariffs & Implementation

Dear Valued Customer,

Today President Trump announced a series of new tariffs on all goods entering the United States with the stated goal of aligning US import duties with the tariffs that other countries impose on American exports. While the details of this announcement are still unclear in many ways, I felt it was important to write to all of you to share how we at Catalynt plan to address these tariffs. Our company embodies a culture of taking care of our customers, and always being candid with you. To that end, I offer the following:

Tariff Amounts: We are still reviewing what the exact amount of these tariffs will be, the timing, and the logistics of the implementation. Many questions remain unanswered, and we do expect a period of rapid changes and adjustments. We will convey information to you as soon as is practically possible, and we will do our very best to ensure that the information we provide is accurate.

Tariff Timing and Implementation: Our current understanding is that these tariffs will be in effect as of midnight tonight, April 2, 2025. Therefore, we will act as though we must be compliant with the payment of tariffs immediately. If this changes, we will adjust to the timeline directed by our government.

For Future Orders: We applaud the desire to bring manufacturers back to the United States, and we support the growth of American enterprise. Most of our customers are US companies who make goods here in the US- we support you and your work! However, the fact remains that the raw materials we need to build in the USA are not made here yet, or the current domestic production does not meet the existing requirements of the market. Thus, the US market still requires access to high quality raw materials made overseas. Catalynt remains committed to bringing those products to the US and making them easily accessible for our customers. We are working actively with our suppliers to ensure we continue to meet the demands of our growing economy, at the best possible price. We expect that these tariffs will lead to rapid price increases on raw materials- and will very likely result is a rise in domestically made products as well. This is a time of true supply and demand economics, with a trickle down economic effect.

For Existing Orders: As we have been advising for several months, Catalynt does not charge a margin that would allow us to absorb these tariffs. We will need to pass these tariffs through to our customers for goods that are affected, and we know that our customers will need to do the same.

However, these tariffs will not be applied to any costs outside of the goods themselves. Thus, we will not be passing along a flat price increase equal to the tariff percentage. We will be developing a way to pass along ONLY the tariff as it applies to the goods. This may mean that we will be moving a little slower on our invoices for a while until we can be sure that our customers only pay their fair share of the tariff and no more. Further, each country of origin will have a different tariff. Thus, we will pass along only the tariff that is relevant to the specific product at hand. Please be patient with us as we seek to determine what our exact tariff obligations will be, and as we work to ensure that our customers do not pay more than they should.

I want to say, on a personal note, that I understand that this presents a myriad of challenges for business owners. I share any sense of trepidation you may have. But please know that the principles that guide us in business- fairness, honesty, and a desire for us all to prosper together will serve us well. At Catalynt, we are leaning harder than ever into our commitment to do the right thing- always.

We welcome your calls, and we genuinely value your business. Together, I know we are all going to thrive.

Please do not hesitate to reach out if you have any questions. We are here to help.

In gratitude and appreciation,

Meg



Ms. Meg E. Gluth, Esq.
CEO & Owner